The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Establish in 1917

Japanese Action Compels Nanking to Decide on Peace or War!

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What Chinese and Foreign Businessmen May Expect in North China

Japanese Occupy Peiping, Bomb Tientsin City, Destroy Many Chinese Cultural Institutions

Tientsin, Huge Port With 1,400,000 Inhabitants, Now in Hands of Japanese

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Important Regional Military Leaders Confer With Chiang at Nanking; Kung Secures Loan Abroad

Japan Still Fears the Possibility of "Strong International Intervention"

Japanese Diet to Pass Supplementary Budget of Yen 408,300,000 for Aggressive Warfare in China

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Intimate Glimpses of Life in Shantung . . . By Daisy Young

Economic Conditions in China Are Greatly Improved . . . . . By Lo Den Way

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Formerly Millard's Review

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WHAT CHINESE FOREIGN BUSINESSMEN MAY EXPECT IN NORTH CHINA

THE recent promulgation in Manchukuo of a Kwantung Army-sponsored industrial control law provides a hint as to what future Japanese developments in the northern Chinese provinces will be.

Previous references to this subject in *The Review*, have shown that practically all large scale industrial development projects which the Japanese have fostered in the Peiping Tientsin district, have been enterprises controlled by the Japanese Army in Manchukuo. This means that the system of control over private enterprise now exercised in Manchukuo by the Japanese Army will, in all probability, be extended sooner or later to territories in North China, which are similarly dominated by the Japanese Army.

The industrial control law recently enacted in Manchukuo sets up a system of industrial supervision which is very comprehensive in scope. It defines 19 key industries, which are placed under close supervision of the Government as essential to national defense and a sound state fostered economy. As a sop to private enterprise "all other industrial activity is to be free and uncontrolled." The industrial structure of Manchukuo, therefore, exhibits a strange mixture of totalitarian and free private enterprise existing alongside each other. Actually the balance is heavily in favor of controlled economy, and it is probably correct to say that private enterprise, excepting very small concerns, has little or no chance.

A recent bulletin of the Institute of Pacific Relations, referring to the subject stated that the law simply labels all important industries of the state as "key industries," and leaves a few crumbs for private enterprise. The enactment of the new law demonstrated further the dominant position of the Kwantung Army in Manchurian affairs, and its emphasis on controlled semi-war-time economy. The Kwantung Army launched the Manchurian adventure and assumed full

responsibility for the new state of Manchukuo. It now announces its intentions of permanently remaining in control not only of the government but of private enterprise as well. The young officers of the Kwantung Army at the beginning announced their determination that Manchuria was not to become a happy hunting ground for Japanese capitalists. In a sense this policy has been carried out, because the military leaders have followed a course of official monopoly and strict governmental control.

Japanese capitalists, with the exception of those concerned directly and indirectly with the enterprises of the South Manchuria Railway, have had little chance in Manchukuo. Although private enterprises agitated against the Army's socialistic ventures, they were not successful. The promulgation of the new law was an indication of the Army's complete victory.

A summary of the provisions of the new law indicates the extent of control which has been lodged with the military dominated Manchukuo government.

Foreign and Chinese merchants concerned with private enterprises in North China—now also dominated by the Japanese Army—will be interested in the following summary of conditions in Manchukuo which appeared in the Institute's bulletin for June 23:

"Those engaging in key industries must obtain a government license. Government permission is necessary for any change in productive capacity or change in financial control, for amalgamation or dissolution of the business, or for any trade agreement. Detailed reports must be made each year to the Government, which also has the power to make any examination of books and records. Furthermore, the Government can issue any orders deemed necessary for the welfare of the public or in the interests of state control. In other words, the Government can regulate prices, set production quotas, etc. Violations of the law can be penalized by revocation of licenses or by the imposition of fines.

"The Manchukuo Government is thus granted a comprehensive measure of control over key industries. An Imperial Ordinance accompanying the law designated the following as key industries: munitions; aircraft production; the automobile industry; liquid fuel, including the refining of crude oil, shale oil, and the liquefaction of coal; the metallurgical industry, including iron and stel, aluminum, magnesium, lead, zinc, gold, silver and copper; coal mines with an annual output of over 50,000 tons; cotton spinning and cotton piece goods, excluding handicraft work; hemp; flour-milling in the case of mills producing over 500 sacks a day; beer; sugar; paper and rayon pulp; tobacco; soda production, except natural soda; artificial fertilizers; cement; and matches. A similar law covering a like group of industries is to be enacted for Kwantung Province.

"It will be seen at once from the above list that the 'key' industries cover all the important industrial and mining activities in Manchukuo. Furthermore, railways, public untilities and air lines, which are not covered by the term key industries, are monopolized by official companies. What, then, is left for private industry? Only a few relatively unimportant industries are uncontrolled, such as distilling, silk-reeling, the construction industry and the manufacture of foodstuffs (except flour and sugar). However, all previous regulations relating to uncontrolled industries are repealed, and they are thus left to their own devices. But so little remains to 'free' enterprise that the much-advertised demarcation between "free" and controlled industry is almost meaningless. The Kwantung Army thus wins its battle for a controlled economy in Manchuria, but it is difficult to see how this will bring in any of the private capital needed under the five-year plan of development.

"The official explanation given out at the time of the law's promulgation was that the new industrial control law aims at the stabilization of Manchukuo's economic life, on the one hand by consolidating the foundations of the Japan-Manchukuo economic bloc and on the other by perfecting the national defense. The latter, it would seem, is the more important; for the large scale development of industries in Manchuria is hardly to Japan's advantage from an economic standpoint. In fact, it appears to be the aim of the Kwantung Army to build up in Manchoukuo an economic and military base which will be as self-sufficient as possible. The present law which establishes centralized control over key industries on a semi-wartime basis fits in that aim."

Japan Still Fears the Possibility of "Strong International Intervention"

A SUMMARY of editorial comment and correspondence in the Japanese papers indicate that the Japanese Government despite statements to the contrary, still fears a strong intervention movement by the Power with the object of forcing Japan to accept mediation.

An article in the *Tokyo Nichi Nichi* on July 29 expressed the opinion that joint action of the Powers still might be more serious than it was "even in the case of the Manchurian incident." In view of this situation it was stated that the Tokyo Foreign Office was devising all available measures to cope with possible third party intervention.

In this connection it was of considerable significance that frequent references were made to Japan's "special relations" with Germany and Italy as a means of preventing other Powers from interfering with the Japanese drive into North China. For example, the Tokyo newspaper, *Chugai Shogyo Shimpo*, stated on July 29 that "Germany and Italy have special relations with Japan in connection with the Japan-German Anti-Comintern Pact . . . It was, therefore, not likely that those countries enjoying such special relations with Japan would easily resort to measures to isolate Japan from international economy, even by well-manipulated propaganda of the Chinese Government."

This statement appeared in connection with an allegation that the Chinese Government was trying to bring about an economic blockade of

Japan by mobilizing the leading world powers with the League of Nations again playing the central part. It was suggested that Britain, America, Germany and Belgium and other countries having large interest in China might be induced to take such action.

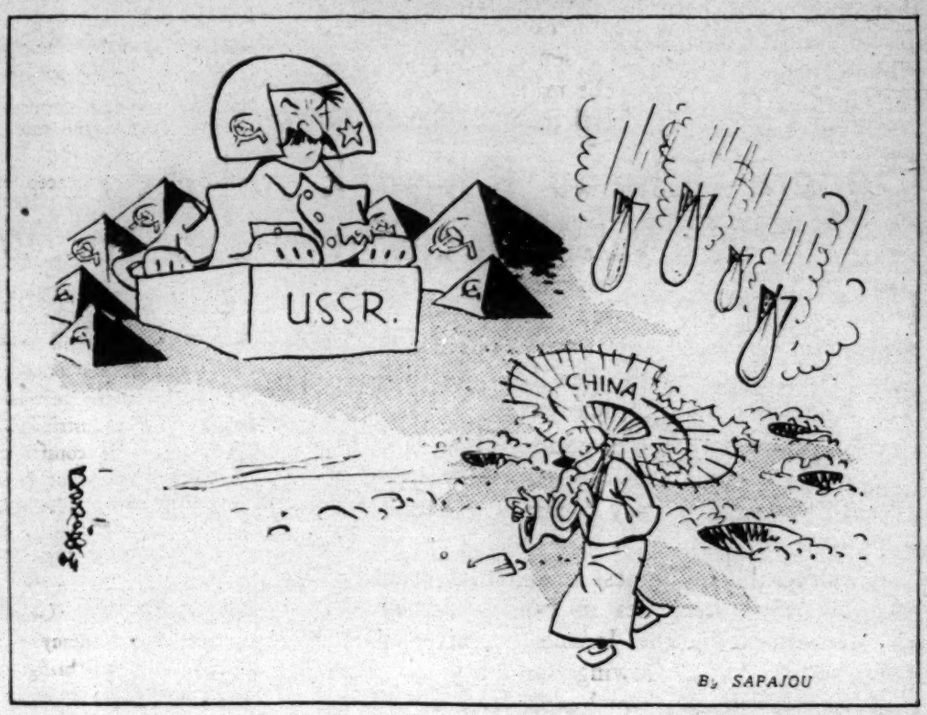
In connection with Japan's relations with Germany the *Yomiuiri Shimbun* on July 22 published a significant dispatch (*Domei*) from Berlin, which said that as the situation in North China continued to develop, Germany was more and more clarifying its attitude along the lines of joint defense against Communism and the so-called policy of neutrality on the part of the German Government. Germany's position regarding the situation in North China was summarized to the following effect by *Domei's* Berlin correspondent:

1. A major battle between the Chinese and Japanese forces seems inevitable, but even if the hostilities should spread to the southern borders of the northern Chinese provinces, the hostilities will still be confined to North China.
2. The advance of Japan in North China has been dictated by strategic necessity involved in the protection of Manchukuo's "wings."
3. Although Sino-German trade and other German relations with China will be maintained, Germany will keep in constant touch with Japan on the North China situation.
4. As it is not impossible that the Powers may attempt intervention in the affair, Germany is convinced that such intervention would only aggravate and would be likely to bring on an international conflict. For this reason Germany is opposed to all intervention.

The *Yomiuri Shimbun* on July 26 published a dispatch from its correspondent in Nanking alleging that the Foreign Ambassadors were instigating the Chinese to resist, the Ambassadors being inspired by a desire to minimize the increase in Japan's voice in Chinese affairs. In other words, it was suggest that foreign ambassadors were worried because of Japan's growing influence in Chinese affairs resulting from intervention in North China.

There were extensive references in the Japanese papers to the conversations between Japan and Great Britain, which had been in progress for a considerable time prior to the outbreak of the crisis in North China, but which have apparently since been suspended. In the course of a discussion in the Diet on July 30 one of the members, a Mr. Tsutsumi, inquired whether Hirota intended "to give up the Anglo-Japanese conversations." Hirota replied that the talks would probably be resumed upon the conclusion of the present incident. Regarding the attitude of the British Government, it was stated that Britain was keeping in close touch with the other powers and had offered its friendly services for mediation in the crisis. However this offer had been rejected by the Japanese in accordance with their established policy. Foreign Secretary Eden was quoted in the *Nichi Nichi Shimbun* as declaring, "In view of the situation in North China, it is not an opportune moment to reopen the Anglo-Japanese conversations." A dispatch from London on July 28th published in the *Asahi Shimbun* quoted the British Foreign Secretary as saying further, "The situation in the Far East is very grave but reports so far received do not induce me to take the initiative in summoning a meeting of the League Council. We must keep in mind that neither Japan nor the United States are members of the League."

"A FRIEND IN NEED"



North-China Daily News

In further reference to the Anglo-Japanese conversations, the French *Havas* service carried a dispatch from Berlin quoting the *Deutsche Allemaine Zeitung* as declaring, "The English Government has not severed, but merely interrupted its parleys with Tokyo. In the meantime the British are doing their best to strengthen their economic position in China. Perhaps one day England will not refuse to play the role of mediator . . . As yet England does not consider that her vital interests in the Orient are threatened, but

in preference to another solution, England would perhaps prefer an agreement in the end with Japan."

The Soviet *Tass* agency on August 3 telegraphed a report from London alleging that Capt. Eden had proposed to Germany and Italy that they participate in the mediation between Japan and China. The *Tass* report stated, "These proposals evoke great suprise in London, both because Germany is Japan's ally and especially in connection with the fact that precisely Germany and Italy, as is well known, are interested in every possible aggravation of the international situation, and with this aim frequently fan all kinds of conflicts. It is pointed out in particular, that still quite recently Germany and Italy did everything possible in order to complicate the situation in the Far East, pushing Japan to extreme actions during the well known conflict over the Amur islands."

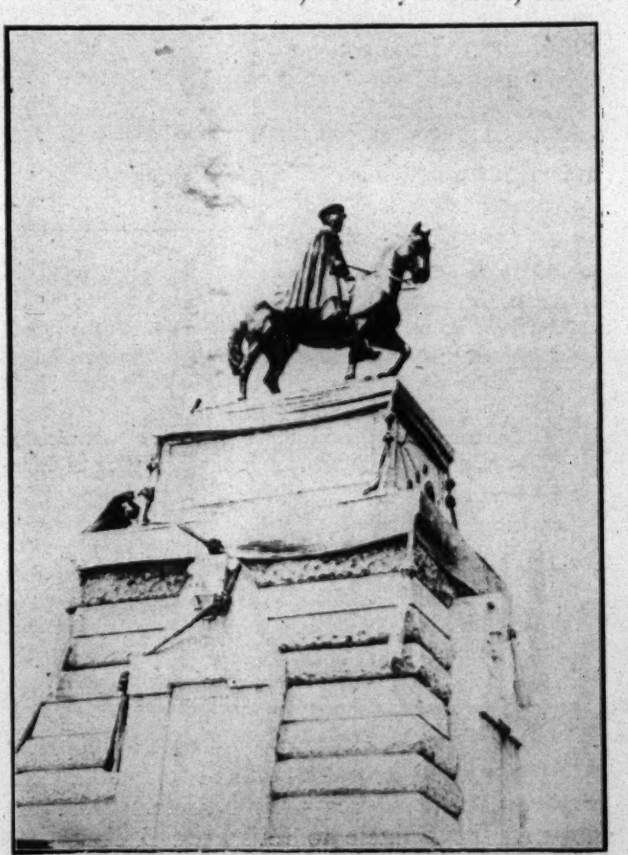
General Chiang Kai-shek and Associates Must Make Vital Decision—Peace or War?

IT was just nine years ago that General Chiang Kai-shek, then in active command of the Nationalist Army advancing on Peiping, had his first clash with the armed forces of Imperial Japan. The clash occurred at Tsinan, capital of Shantung Province, where the Japanese had stationed some 2,000 troops, announcedly for the purpose of protecting 1,800 Japanese residing in the Shantung capital and also for looking after a Yen 40,000,000 mortgage they held against the Shantung Railway.

But the Nationalists were convinced that Japan's objective in sending a force to the Shantung capital, 180 miles from the coast, was for the purpose of blocking their advance on Peiping. Ill feeling quickly developed when the Japanese troops tried to prevent General Chiang's army from crossing the railway tracks. A clash developed into a battle, which lasted with intervals for eight days. The Japanese brought into Shantung between 25,000 and 30,000 troops. On the last day the Japanese succeeded in battering down one of the city gates and seized a position on the wall, which they fortified with machine guns. Nationalist troops from the South, flushed with victories over the northern warlords, fanatically charged this Japanese machine gun position for several hours, until so many were killed their bodies formed a human ramp against the wall. The Japanese claimed they killed 7,000 of General Chiang's soldiers in this battle.

That this fight deeply affected General Chiang Kai-shek was obvious. It was reported that when he had reorganized his troops and they had succeeded in getting around the Japanese position by a hazardous circuitous march through the mountains, he made a speech to his soldiers in which he told them to wait ten years when China would be strong enough to wipe out the disgrace of Tsinan.

In the decade which has passed since General Chiang Kai-shek came into power, chief attention from a military standpoint has been directed toward preparation for defense against Japanese aggression. Aside from expenditures on civil wars, particularly the anti-red campaign, it is probably safe to say that 50% of the national revenues of the nation have been devoted to this purpose, including purchase of equipment for the army, air service, military training and payment of officers and men, military advisers, etc.



Heroic statue of Gen. Chiang Kai-shek, erected by admirers in Chungshan Park, Hankow. Numerous statues of this character erected in various parts of the country indicate that the public generally regards Gen. Chiang as an outstanding military leader.

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While relations with other nations, particularly Great Britain and the Soviet Union have, on occasion been strained, China's leaders of all classes have recognized Japan as the chief objective of the nation's program of resistence—a program exemplified in the phrase, "Salvation of the nation and race."

Beginning with the occupation of Manchuria in the fall of 1931, the Japanese military machine has moved, with few intermissions, toward the inevitable conquest of the entire country, or at least all territories north of the Yellow river and extending westward into Central Asia.

The use of Manchuria as a base of operation against China proper has created a military problem which has taxed the resources of the National Government. In many respects it resembles similar problems which faced rulers of ancient China, when hordes of Mongols and Manchu barbarians swept down on the rich and densely populated plains of the North. It was the fear of these northern hordes which caused China's ancient emperors to build the Great Wall. Recently a Chinese writer stated that, unless China could find some way of stopping the Japanese advance, it would be necessary to build another Great Wall somewhere south of Peiping. Perhaps it was some such idea as this which is said to have inspired the Nationalist leaders in the development of a "last line of defense" along the Yellow River and the Lunghai Railway, which crosses northern Honan, Anhwei and Kiangsu Provinces and reaches the sea at Haichow.

When Gen. Chiang and Madame Chiang celebrated the Generalissimo's 50th Birthday anniversary—at Loyang in Honan Province—last fall. This interesting group includes (front row, left to right) Gen. Hsu Yung-chang, director of the administration office of the Military Affairs Commission; the Young Marshal, Chang Hsueh-liang; Madame Chiang, the Generalissimo, and Gen. Yen Hsi-shan, "model governor" or Pacification Commissioner of Shansi and Suiyuan. Others in the picture are faculty members of the National Military Academy at Loyang.

Since the beginning of Japan's occupation of Manchuria on night of September 18, 1931 and continuing to the present, the National Government has followed a constant policy of retreat and compromise, always resulting in loss of territory and vital national interests. As stated in a recent address by Wang Ching-wei, the Government early realized its hopeless position from the standpoint of withstanding the onslaughts of the Japanese military machine. It therefore followed the practice of making temporary peace, hoping to gain time for strengthening national defense. That the Japanese are fully aware of China's motives goes without saying. In other words, China's preparation has served to make Japanese aggression more acute. Gen. Tsai Ting-kai, former commander of the Nineteenth Route Army which fought the Japanese invaders at Shanghai in 1932, recently declared that China is already a "colony" of Japan, hence the futility of waiting until preparations for resistence were completed. He said that Japan never would permit China to complete her defenses, hence a revolutionary war for freedom should be launched at once!

The defeat of the 29th Army commanded by Gen. Sung Cheh-yuan in North China and the Japanese occupation of the northern provinces has, therefore, precipitated a situation where Nanking can no longer postpone the issue. And when Nanking is mentioned it means General Chiang Kai-shek, Chairman of the Military Affairs Commission and concurrently President of the Executive Yuan and his associates in the Kuomintang who have comprised the personnel of the Government for practically a decade.

Current Japanese military propaganda indicates Japan's military program in the immediate future—occupation of Paotingfu, the National Government's advanced base in southern Hopei. Paotingfu, provincial capital of Hopei, is about eighty miles south of Peiping. The defeated forces of the 29th Army are being reorganized at Paotingfu, by Gen. Sung Cheh-yuan and in addition the Central Government is said to have dispatched to that point a considerable number of its best troops.

The almost daily air-bombings of Paotingfu, plus the expected Japanese military drive on that city, has made it necessary for Nanking to make a decision on the fundamental issue of future policy. In recent days the Japanese have brought into North China a so-called mobile column or unit consisting of some 4,000 troops with complete motorized equipment, including

large fleets of trucks, tanks, armored cars, motorized artillery and machine guns. This force, formerly used in Jehol and northern Chahar, was developed with the object of campaigning in Suiyuan and Mongolia. It is now reported that the Japanese are strengthening this column for a drive on Paotingfu and possibly further afield. Frequent mention in the Japanese military reports of Chinese concentrations at Chengchow, Honan, have given the impression that the Japanese may be planning to press down to the Yellow River.

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The imminence of this development has produced a serious crisis in governmental and party circles in Nanking, according to a special article in the *North-China Daily News*, leading British paper in Shanghai, on August 2 which declared, "The apparent discrepancy between the public pronouncements of General Chiang Kai-shek and the development of the Government's plans for dealing with the situation in the North has become increasingly a matter of criticism and no little concern among Chinese, who do not want to see Japanese aggression score another substantial advance. General Chiang Kai-shek is obviously in a difficult position, for recent Japanese actions have raised the question of fulfilling his pledge to fight if any further encroachment on Chinese soil be attempted. General Chiang appealed a fortnight ago for complete national support, laying down four conditions beyond which China could not go in compromising with the Japanese."

Continuing the writer in the British paper said those who thoroughly believe in Chiang Kai-shek's leadership are compelled to make two admissions first, that a realist picture of the situation makes any plunge into a war with Japan a hopeless enterprise, which might result in the destruction of the Chinese Army and the setback of national defense and economic reconstruction for many years to come; secondly, that the Generalissmo's repeated requests for patience and careful preparation by unification and administrative reforms are raising awkward political issues. In other words, public opinion in China has been stirred by the grim facts of Japanese seizure, and now apparently inevitable removal of Hopei with Chahar and Suiyuan, from the last vestige of connection with the Central Government. Therefore, General Chiang Kai-shek may be facing not so much danger from Japan as a formidable domestic opposition to his policy. It is pointed out that, even allowing for the preservation of secrecy in making military dispositions, the complete absence of any sign of mobilization stimulated doubt of Nanking's intentions to resist. Actually this readiness, or reluctant disposition, to avoid war and patch up the quarrel with Japan on the best possible terms, in spite of the forthright declarations of Government spokesmen in Nanking and overseas . . . is probably in the best interest of China. Humiliation is better than complete loss of identity. China can afford to wait . . . ."

Following a further discussion of the "wait-and-see" policy, the writer of the article in the British newspaper declared that the view "was thus held by men who consider that the present government must be kept in power at all costs, because there is no satisfactory alternative and because it has undoubtedly achieved much for China's rehabilitation and reconstruction and can achieve more. It is also held by others, who are more cynically inclined, who point out that the modernization of the Central armies with their airplanes, many of which have been bought by national subscripation, is the dominant factor in keeping the Government in power, and that those armies are not to be risked against Japan, because their primary purpose is to prevent the ascendancy of other combinations . . . It is obvious

Gen. Chiang Kai-shek and Marshal Feng Yu-hsiang (Left) at Kuling.

that the determination of the Central Government to resist cannot be accepted without material proof. That proof cannot be much longer withheld, if it is to come at all. In the space of the next fortnight the Japanese will be able to make their attack on Paotingfu and even further south. Before then it should be possible to ascertain whether General Chiang Kai-shek feels himself able to launch his armed protest against encroachment on China's sovereignty, or whether he has once more to ask for patience pending his complete equipment of the national forces in a proper state of defense. That is the enigma."

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As the foregoing analysis or "dissection" of Nanking's political crisis was given a prominent position in the leading British newspaper, many Chinese have suspected an official British motive in again counselling a policy of peace. They recall that British officials in China have always advised compromise rather than resistence to Japan, beginning with the Manchurian affair in 1931.

⁂

According to a series of articles dealing with the life and activities of Chiang Kai-shek, which were written by A. T. Steele, well-known correspondent and magazine writer, who is now in Peiping, there is perhaps no country in the world whose immediate destiny is so inextricably woven about a single individual, as is the case in China. According to Mr. Steele's analysis General Chiang Kai-shek has made himself more nearly master of China's 450,000,000 human beings than any man or any government since the Manchu Dynasty crumbled twenty-five years ago. The importance of General Chiang to the very existence of the Chinese Republic may best be gauged by asking the question: "What would happen to China if the Generalissmo were withdrawn suddenly and completely from all participation in China's affairs?"

Mr. Steele's question was, of course, answered by the Sian incident which did threaten to withdraw General Chiang from participation in national affairs for a considerable period, hence it is unnecessary to describe here the apprehension which prevailed not only throughout China, but in other countries as to what the outcome would be. Mr. Steele said that Chiang's permanent removal might create a prospect of general disunity and chaos. He said, "It is doubtful if there is any Chinese leader or political group of sufficient power and influence to hold together the various factions which have been tamed and brought into the fold by General Chiang. Despite all that has been said and written about him. General Chiang Kai-shek is still pretty close to being the man nobody knows. He has not had a good press. His exiled enemies have maliged and lambasted him from one end of the earth to the other. Every petty warlord who has felt the pressure of the Generalissmo's military might has squealed his resentment by denouncing General Chiang before the world as a tyrant and murderer of innocents and a man whose all-consuming purpose in life is personal aggrandisment through force of arms. Japanese militarists have chimed in on this anvil chorus with enthusiasm.

The writer then explained that there may be some points of resemblance between the sordid picture drawn by General Chiang's enemies and the real Chiang of ten years ago, but the critics have neglected to take into consideration one highly significant fact. Like the country which he dominates, General Chiang is changing. Except in outward appearance, he is scarcely recognizable as the man who led a Nationalist army out of Canton a decade ago on the march northward which projected him into power as the nation's leading militarist. General Chiang is today no less the soldier, but vastly more the statesman and administrator than he was at the beginning of his career. The narrow and fanatic revolutionary zeal which characterized his early association with Dr. Sun Yat-sen has softened, now that the main objectives of the revolution have been achieved. Domestically there is no longer need for ruthlessness, so ruthlessness has given way to tolerance. The man whose only code for the settlement of disputes was the law of the jungle has lately shown a capability for infinite patience. General Chiang, who was once called hot-headed, vindictive and cruel is today being condemned by some sections of the Chinese public, because of his extreme leniency toward the refractory warlords of the South and West.

⁂

As these paragraphs were written, there were rumors that General Chiang might give up his civilian posts and administrative duties and return to his previous military status as a means of meeting Japanese aggression. The question, therefore, arises whether General Chiang can recover his previous character as a military man and devote all his energies to the one single purpose of meeting Japanese aggression with the same resoluteness and enthusiasm which he used in the subjugation of the once powerful northern warlords of a decade ago?

Conferences proceeding in Nanking between the Generalissimo and outstanding provincial leaders indicate a final realization of the seriousness of the crisis. Most of these men have been in office continuously since the Nationalist Revolution and have benefitted from their positions of power and influence. The nation now looks to them to demonstrate their appreciation by making sacrifices. A failure to do so will result in the inevitable downfall of the present administration, if not at the hands of the Japanese, then at the hands of an outraged, exasperated and dis-illusioned Chinese populace.

Japanese Occupy Peiping, Bomb Tientsin City, Destroy Many Chinese Cultural Institutions

SIMULTANEOUSLY with the sudden departure of General Sung Cheh-yuan, Commander of the 29th Route Army, and General Feng Chi-an, Governor of Hopei and Commander of the 37th Division from Peiping, for Paoting on July 29, Chinese resistance in the Peiping-Tientsin area completely crumpled before the Japanese onslaughts. The 37th Division withdrew entirely from Peiping and Japanese troops entered the city, practically without opposition. Foreign nationals were at the time being moved into the Legation Quarter, but the ancient capital is now quiet.

At Tientsin, Japanese planes dropped incendiary bombs over the Chinese City, directed particularly at the principal Chinese cultural institutions such as Nankai University, Nankai Middle School, and others—which were reduced to ruins by flames. Sharp fighting took place in the outskirts of Tientsin, various Chinese units keeping up resistance, evidently unaware that the Japanese were already in possession of the City.

The week's operations included the occupation by the Japanese (in addition to Peiping and Tientsin Native City) of such points as Nanyang, Langfang, Hsiyuan, Peiyuan, Changsintien, Tangku, Taku, and others of less importance. Despite these reverses, however, General Chiang Kai-shek issued a challenging statement to the effect that the fighting had just begun and that China would not surrender.

One of the results of the Japanese menace has been that various generals who had been antagonistic to General Chiang have now decided to throw in their lot with him to fight the common enemy. Madame Chiang made a stirring appeal to the women of the country in a speech at Nanking Aug. 1. In the meantime the Japanese are appropriating further Yen 408,-300,000 for war purposes, in addition to the Yen 100,-000,000 previously appropriated. Units of the Japanese Navy have been stationed at various points in South China, and so great a call has been made on Japanese ships to carry troops and war supplies to China that Japan is permitting foreign vessels to engage in coastwise trade, to fill the hiatus caused by the withdrawal of Japanese vessels.

What proportion of their determination to resist, the Chinese will be able to translate into reality, remains to be seen, but from all appearances the Japanese either expect formidable opposition, or else they are planning for aggression in China on a scale that may far surpass anything that they have accomplished thus far.

The Japanese, using the same political tactics in the conquered North China territory as they have used in Manchuria, have engineered the formation of "Peace Maintenance Commissions" in Peiping and Tientsin, which are the counterparts of the "Peace and Order Committees" that were established in Manchuria. By operating through the puppet Peace Maintenance Commissions Japan is able to camouflage her operations, for it is to be borne in mind that the Japanese official attitude is that the formation of these Commissions in Peiping and Tientsin is entirely a "spontaneous" movement on the part of the Chinese, with which the Japanese have little or nothing to do.

Japanese Bomb Tientsin City; Huge Areas Desolated by Fire

Warfare in some of its deadliest forms raged between forces of Chinese and Japanese in Tientsin, July 29, the Chinese attacking the Japanese Concession and the Japanese making telling use of scores of bombers, which with incendiary missiles set fire to a large part of the northern section of the Chinese City. Tremendous fires were started as incendiary bombs struck the principal Chinese buildings, including Nankai University, one of China's leading educational instiutions (which was practically destroyed by fire), the Central Station and the headquarters of the Peace Preservation Corps between the East Station and the International Bridge. The flames were visible for miles.

The Japanese bombers went up in relays, and, after dropping their missiles, returned to the Japanese airdrome to replenish their supplies. As they performed their mission, the Chinese masses fled from the Chinese City to the security of the Concessions, where a state of emergency was proclaimed.

The intensive bombing ended after four hours. Nankai University and the Tientsin Mint were made particular targets. The Chinese telephone exchange, including the central office on the border of the Chinese City and the Japanese Concession and a branch office in the Hopeh area, were also bombed, interrupting the service in the Chinese City.

The headquarters of the Peace Preservaton Corps in the vicinity of the ex-Austrian Bridge and the Palati area, south of the City, were also targets for the bombing planes.

The British, American and Belgian Consuls-General endeavored during the day to mediate between the Chinese and Japanese on behalf of the Consular Body, but their efforts proved fruitless owing to difficulties of communication with the respective parties.

The Japanese bombardment ceased at nightfall, July 31, thus allowing the anxious inhabitants of Tientsin a night's peaceful rest.

Tientsin Mint Target for Japanese Artillery

Japanese soldiers staged a house-to-house search in the Hopei District in Tientsin wantonly killing non-combatants and forcing stores to resume business, according to *Central Press* messages. The Tientsin Mint was the principal target of the Japanese artillery. The building was set on fire at 3 p.m. July 31 when it was shelled by the Japanese from Tachi g Road in the Hopei District.

Japanese-Chinese Encounter Near Kanegafuchi Cotton Mill

Japanese forces engaged in "mopping-up" operations in the Peiping-Tientsin area, in the morning of July 31 attacked Chinese troops entrenched in the vicinity of the Kanegafuchi Spinning Company's mill near the Tientsin Central Station. Employees of the No. 2 Mill of the Kanegafuchi Cotton Spinning Company succeeded in making their way to safety in the Japanese Concession during the morning of July 31.

The branch office and the residences of the employees of the Dairen Kisen Kaisha in the former German concession were raided by members of the Paoantui July 30. Two of the employees, who succeeded in eluding the raiders, told the Japanese Consular and military officials here that the Chinese immediately cut off all telephone lines, robbed the Japanese, and detained them in their homes.

Japanese in Tientsin Suffer from Chinese Guerilla Attack

Resorting to guerilla warfare, small bands of Chinese regulars have been harassing Japanese outposts and communication lines in North China, a survey of the Japanese military headquarters issued in Tientsin July 31 stated. An attack of this type was staged at about 10.30 a.m., when regulars, defeated in the previous two days' fighting, surrounded the No. 2 Kung Dah mill, located between the East and Central Stations. The siege of the plant continued until 4 p.m. when the attackers were said to have retreated.

Chinese Refugees Mown Down by Japanese Machine Guns

At Kotzecha Hutung Japanese soldiers (according to *Central News*) were seen sprinkling korosene on Chinese houses which they subsequently set on fire. Then without any warning they machine-gunned the frightened people as the latter rushed out from their burning houses. On Yuehwei Road in the Chinese City where the Headquarters of the Paoantui was located, Japanese soldiers repeated their methodical way of killing Chinese civilians. Other eyewitness stories brought back from East Boulevard reported a cold blooded massacre of Chinese refugees who were made the target of the Japanese rifles and machine guns.

The Japanese military authorities declared that they were compelled to adopt bombing because "persistent Chinese attacks" from these bases allowed no alternative. The concentration of Chinese forces in Tientsin, they added, was a flagrant breach of the Boxer Protocol.

Japanese Seize Huge Quantity of Chinese War Material

A Japanese Army communique Aug. 2 stated that the arms seized in the course of the Tientsin "war," included about 4,000 rifles, 100 machine-guns, and 400,000 rounds of ammunition. Five one-ton motor trucks were required, it was stated, to transport Chinese hand-grenades to a munitions dump.

Several villages were set on fire after the bombing, including one adjoining the Japanese airdrome at the East Arsenal. The buildings of the municipality were also bombed, as well as those in the Railway Park, where the headquarters of the Chief of Police, General Li Wen-tien, who has just been appointed Mayor of Tientsin, are situated.

Fire broke out at the East Station as a result of firing by the Chinese, but this was extinguished by the Japanese troops there.

The fighting in Tientsin, according to Chinese reports, started early in the morning when Japanese troops in the east, west and central stations opened machine-gun and rifle fire on members of the Peace Preservation Corps stationed on roads leading to these stations. The action, Chinese sources state, was "apparently for the purpose of evicting the Chinese from the approaches to the stations." Later, the Japanese were alleged to have occupied a Chinese police station in the former Belgian area. Following these developments, the Peace Preservation Corps were "given general orders to counter-attack" and soon fighting became general.

Taku Shipyard Reduced to Ruins

The Taku Shipyard was reduced to a heap of ruins. The shipyard, one of the two largest in China, was equalled in equipment and facilities only by its sister yard, the Kiangnan Dockyard, in Shanghai.

Japanese Handbills Ask Chinese to Be Friendly to Japanese

Handbills were distributed by Japanese planes in the Tientsin area July 28 stating that the "punitive action of the Japanese army is a mission from Providence" and urging the Chinese populace to be friendly to Japan and to refuse to help the Chinese forces.

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When French Stop Japanese, Latter Retaliate and Prevent French from Using Intern't'l Bridge

As a retaliation against the steps taken by the French authorities in Tientsin to prohibit Japanese troops passing through the French Concession, the Japanese military in control of the Third Special Area on the other side across the International Bridge erected barbed wire obstructions and one sandbag machine-gun nest at the end of the bridge and refused to permit French troops or even empty military French trucks to go to the East Arsenal, where French barracks are located. Sergeant Chretien of the French troops in Tientsin was seriously wounded as a result of a surprise attack by Japanese soldiers last Thursday. Early Thursday morning a small detachment of French forces stationed at the East Station, including three Frenchmen, were attacked without warning by the Japanese. They sought refuge in a small room at the station, but as soon as they closed the door, the Japanese attackers opened fire through the door, seriously wounding Sergeant Chretien on the shoulder.

The wounded French officer was without medical attention for six hours, *Central News* stated. For nearly two days the detachment of French forces had been detained by the Japanese before they were turned over a French rescue party minus arms and equipment.

Italians Allegedly Cooperate with Japanese at Tientsin

The Italians were accused of cooperating with the Japanese in construction of this pontoon bridge, enabling the Japanese to cross the Italian Concession to reach the railway station. Chinese as well as foreigners accused the Italians of assisting Japanese in clearing Chinese troops and snipers from Chinese areas bordering on the Italian concession.

Press reports that the authorities of the Italian Concession in Tientsin had granted permission to the Japanese troops in building a pontoon bridge across the Haiho to the Italian Concession were denied by a spokesman of the Italian Embassy in Nanking Aug. 3.

The unaccommodating attitude of foreign concession authorities in Tientsin was bitterly criticised by a spokesman of the Japanese military headquarters. With the exception of the Italian authorities, all the other foreign concessions in Tientsin had refused the Japanese the use of their areas as a base of operations against the Chinese peace preservation corps," a Japanese spokesman said.

The spokesman declared that Japanese troops were not allowed to enter or pass through the various concessions during the previous few days. He especially referred to the action taken by the French Municipal Council and said such an attitude was "quite unwarranted."

Near Japanese-British Incidents in Tientsin Averted

Two near-incidents between Japanese and British troops in Tientsin were narrowly averted July 30 by the calling out of British troops. The first affair occurred in the morning when a group of Japanese soldiers made an attempt to come ashore at the British Bund from a lighter. But before they were able to alight, the local British authorities called out British troops, who chased the Japanese away.

The other affair took place at 5 p.m. when two Japanese cyclists, armed with Mauser pistols, tried to force their way into the British Concession from the old German Concession. Upon being stopped, they dismounted, and drawing their pistols, fired into the air. Immediately British troops were again called out and rigid emergency regulations were put into force.

Japanese Garrison to Respect Foreign Interests

Assurances for the respect of foreign interests in North China, as well as for the safety of foreign lives and property, were made in a statement issued by the Japanese garrison headquarters in Tientsin, July 28, announcing the start of "punitive operations" against Chinese forces.

"The enemies of the Japanese Army are the Chinese soldiery who engaged in anti-Japanese provocation and not the 100,000,000 people of Hopei," the statement declared.

This announcement was supplemented by a proclamation signed by Lieut.-Gen. Kiyoshi Katsuki, commander-in-chief of the Japanese forces in North China. Copies of this document were posted throughout the city, while handbills containing it were scattered from airplanes.

The statement among other things said: "It goes without saying that, recognizing the rights and interests of foreign nations in China, we will try our best to accord adequate protection to the lives and property of the foreign nationals and lastly, but not the least important, we take this opportunity of affirming that we entertain *absolutely no territorial designs on North China* even if we take necessary military actions for the punishment of recalcitrant Chinese troops. . . . China has committed a serious and unpardonable breach of faith in pushing northward a formidable number of Central Army troops, in utter violation of the Ho-Umetsu agreement and in speedily perfecting her preparations for action against the Japanese troops.

Tientsin Mint Had Been Converted into an "Arsenal"

With all machinery for minting coins removed, the Chinese Government Mint in Tientsin had been converted into a regular arsenal, Japanese military authorities in Tientsin charged Aug. 2. Large quantities of rifles in the course of assembly as well as bullets under manufacture were found. The mint's godowns were stated to be full of explosives. In the Tientsin Police headquaters, the Japanese troops claimed having found 15 machine-guns, 2,000 rifles, 200,000 rounds of ammunition, 800 grenades and other military equipment.

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Foreign Consular Body Protests Japanese Mail Censorship

Foreign consular officials met at the Belgian Consulate-General in Tientsin at noon July 28 when they decided to lodge a protest with the Japanese military authorities against their censorship of mails in Tientsin.

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Japanese Take Over Ex-German Concession at Tientsin

The Japanese military authorities approached the Consular Body in Tientsin Aug. 2 demanding the immediate turning over of the former German Concession, failing which they threatened to occupy it by force. The German Consulate is understood to have agreed to facilitate the peaceful transfer of authority.

The formal ceremony of taking over the ex-German concession was carried out in the evening without incident, and the Japanese military authorities are at present in full control, with guards on the Bund and the Administrative Bureau. Police are patrolling the district with truncheons as their only weapons.

With the taking over of the ex-German area—the ceremony was performed at 7.30 p.m.—the Japanese military have completed their occupation of all Chinese districts in Tientsin. The Chinese police on point duty in the former German area have decamped, and none of them is to be seen on the streets.

It is not at all an impossibility that in due course the Japanese will propose to the German Government that the latter may "take back" their concession in exchange for German support of Japanese operations in China.

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Nankai University Destroyed by Japanese Bombers and Incendiaries

After two systematic bombardments from the air, which reduced most of the buildings of the Nankai University near Tientsin to the ground, Japanese military authorities in the afternoon made sure that nothing remained of the institution which they alleged constituted a center of anti-Japanese activities. A number of Japanese cavalrymen, by order of their superiors, proceeded to Palitai shortly after 3 p.m. July 30 and set fire to the remaining buildings of the University.

For three hours, the conflagrations, which completely wiped out one of the oldest and best institutions of higher learning in China, could be seen from a distance of several miles.

Dr. Chang Po-ling Says a Greater University Be Built

"Japanese bombs have destroyed the Nankai campus, but they have also spurred sons and daughters of the university all over

China to build a greater and better home for their alma mater," declared Dr. Chang Po-ling, 62-year-old president of the university, in Nanking, July 30.

Dr. Chang received a continuous stream of callers to convey their sympathy following news of wanton Japanese air bombardment of the oldest and highest educational institution in Tientsin. He revealed that he was determined to start classes in Nanking within two months. He also solemnly pledged to devote his remaining years for Nankai, which he had nursed from its cradle during the last 40 years.

Dr. Chang stated that he was determined to start classes in Nanking within two months.

Chinese educational leaders said they were not surprised at the news of the wanton bombardment of Nankai University and other colleges in Tientsin by the self-constituted exponents of Oriental Culture. The Japanese militarists they pointed out, are acting precisely as they did during the Shanghai hostilities of February 1928, when the priceless Oriental Library of the Commercial Press was destroyed by Japanese air bombers.

Scathing Criticism by Nanking Journal

The wanton destruction of Nankai University and other educational institutions in Tientsin by Japanese bombers and artillery gunfire evoked bitter comment in the editorial columns of Nanking papers. The *Central Daily News* described the Japanese bombardment of institutions of higher learning as a shameful chapter in the history of Oriental culture.

Seven educational leaders of the nation Aug. 1 wired the Committee on Intellectual Co-operation of the League of Nations, condemning Japauese military aggression in North China. Signed by Dr. Tsai Yuan-pei, Dr. Chiang Mon-lih, Dr. Hu Shih, Dr. Mei Yi-chi, Dr. Lo Chia-lub, Dr. Chu Co-ching, and Dr. Wang Shing-kung, the message pointed out that Japanese troops had deliberately destroyed with bombs and incendiary missiles all library, laboratory, and dormitory buildings of the Nankai University and the Nankai Middle Schools in Tientsin, to which the veteran educator, Dr. Chang Po-lin, had devoted thirty-three years to found and develop.

The Hui Wen Middle school and the Keen School for Girls both established by American mission funds, were among educational institutions affected by Japanese aerial bombardment and artillery gunfire during the two days. These two schools, located opposite each other at Nankwan immediately outside the Japanese Concession, suffered partial destruction.

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Acute Refugee Problem Arises at Tientsin

An acute refugee problem has arisen in Tientsin as a result of the bombardment of Chinese areas by the Japanese. Panic-stricken refugees streamed into foreign Concessions when the Japanese began shelling the Chinese districts between the East and Central stations, including Fenglintsun.

An unprecedented spectacle was witnessed on the river and the Russian Bund, opposite the British and French concessions, as thousands of terrified refugees, mostly of the poorer classes, tried to cross to safety. The river was crowded with boats, the majority carrying refugees across towards the launches, lighters and other craft lining the length of the British Bund, on which the refugees were already packed like sardines. Owing to the danger of the boats capsizing, the British police permitted a large proportion of the refugees to proceed along the barricaded Bund to the former German area.

300,000 War Refugees In Tientsin

War refugees in Tientsin, rendered homeless by three days of aerial and artillery bombardment, are estimated at 300,000. Immediate erection of 50 or 60 refugee camps to accommodate the large number of destitute people was decided upon at an emergency meeting of the Tientsin Charity Committee, Aug. 2.

Singapore Chinese Contribute $30,000 for Wounded Soldiers

Aw Boon-haw (Hu Wen-hu), Chinese multimillionaire medicine merchant of Singapore, and his brother Hu Wen-pao, have contributed $30,000 for the relief of Chinese soldiers and civilians wounded in the North China fighting.

Japanese General Gives $100,000 for Relief of War Victims

Domei states that Lieut.-Gen. Katsuki, Commander-in-Chief of the Japanese Garrison in North China, Aug. 31 donated $100,000 to the newly-established Peace Maintenance Commission for the relief of sufferers in areas involved in recent hostilities.

With a loan of $100,000 to the Chinese Charity Association, the Tientsin Peace Maintenance Commission August 3 tackled the acute refugee problem. The Charity Association is cooperating with the recently-formed International. Refugee Relief Commission in feeding and caring for the refugee Chinese.

U.S. Red Cross Sends Money for China Relief

The American Red Cross announced from Washington Aug. 2 that it had sent U.S. $10,000 to the Department of State to be forwarded to Nelson Trusler Johnson, American Ambassador to China, for the relief of citizens of all nationalities who have suffered in the North China conflict.

Japanese Occupy Peiping; Chinese Troops Evacuate

Peiping awoke in the morning of July 29 to find that events had taken a dramatic turn overnight. The din of battle had ceased, the Chinese troops had silently evacuated the City, and all defence works were being pulled down. The resistance of the 29th Army to the relentless attacks ceased shortly after midnight, following the daparture for Paoting of General Sung Cheh-yuan, Commander-in-Chief of the 29th Army and Chairman of the Hopei-Chahar Political Council, General Chin Teh-chun, Mayor of Peiping, and General Feng Chi-an Governor of Hopei and Commander of the 37th Division.

With their departure, the reins of government were left in the hands of General Chang Tzu-chung, who has been one of the most prominent parties in the recent Sino-Japanese negotiations at Peiping and Tientsin.

Before leaving, General Sung prepared a communique, stating that he had been ordered to Paotingfu and had consequently delegated his powers as Chairman of the Hopei-Chahar Political Council and Pacification Commissioner to General Chang Tzu-chung. General Chang, he added, would also act as Mayor of Peiping, while General Li Wen-tien, Chief of Police at Tientsin, would concurrently assume the post of Mayor of Tientsin. Last week's report that General Sung had resigned was confirmed this week. It was added, however, that Gen. Chiang Kai-shek had refused to accept the resignation.

Later messages stated that Gen. Sung is busy reorganizing his remnant troops at Paoting for a counter attack, according to the war correspondents of the *Ta Kung Pao*.

Japanese artillery and aircraft on the following morning dislodged the main force of the 38th Chinese Division entrenched in the Western Hills.

Japanese military 'planes flew over the ancient capital in the morning and dropped leaflets, announcing the withdrawal of the Thirty-Seventh Division from the city and urging the population to pursue its business as usual, "since peace has now been restored in the Peiping area."

7,200 Chinese Soldiers Disarmed by Japanese Near Peiping

Surrounded by Col. Kenji Suzuki's detachment, 3,200 soldiers of the Thirty-Ninth Brigade were disarmed at Peiyuan, 6 miles north of Peiping, at 8 p.m. Aug. 1, the headquarters of the Japanese Garrison announced. These were in addition to four thousand Chinese soldiers disarmed by Japanese troops in and near Peiping, July 30, according to Japanese press dispatches.

How Peiping Residents Saw It Through

Barricades and bullets failed to dampen the usual high spirits of Peiping residents during recent weeks, according to the correspondent of the *North China Daily News*, who reported that the Peiping Club, where diplomatic and military circles generally garner their recreation, was as gay as usual, the only fly in the ointment being that no ice cream was available.

Such were the reactions of the foreigners in the crisis. On the other hand the most notable quality of the Chinese attitude appeared to be their super-optimism. Where is the support of the Central Government, the correspondent asked. "Why, eight anti-aircraft guns have arrived at Chang-hsintien."

"The attitude of these people is neatly summed up in the remark of a modern educated Chinese business man to a foreign friend," the correspondent concluded, "who was anxiously questioning him about the situation. 'You foreigners are much more excited about the situation than are we Chinese.' It is about the truth. Nevertheless, if it does come to general hostilities, it is going to be a case of bows and arrows against lightning—with a vengeance!"

Evacuation of Americans from Peiping Was as One Time Under Consideration

The evacuation of all Americans from Peiping was under consideration as a result of the resumption of hostilities in North China, declared Secretary of State Hull in an announcement in Washington, July 28.

Britain Requests Japan to Assure Protection for Nationals in North China

The British Charge d'Affaires, J. L. Dodds, was reported to have called on the Foreign Minister, Koki Hirota, in Tokyo, July 28 and asked for protection for the lives and property of British nationals in Peiping and Tientsin. In reply Mr. Hirota expressed regret that the North China situation "had reached its present critical stage as a result of a series of illegal actions on the part of Chinese troops." He is stated to have given assurances that he would make every effort for protecting the life and property of foreign residents in the affected areas.

Five Chinese Newspapers in Peiping Compelled to Close as Result of Japanese Occupation

Five Chinese newspaper officer in Peiping have closed their doors as a result of the occupation of the area by the Japanese troops. No fewer than 18 Chinese officials were arrested, of whom 12 were later released, the *Sin Wen Pao* of August 2, stated.

General Chao Teng-yu and Tung Lin-kou Killed in Battle at Tuanho

General Chao Teng-yu, Commander of the 132nd Division of the 29th Army, and Major-General Tung Lin-kou, Deputy Commander of the same Division, were killed in a sanginary encounter in the Tuanho battlefield July 28. The remains were encoffined at the Lungchuan Temple.

A native of Shantung, General Chao Teng-yu had a brilliant military career behind him. He had been under General Feng Yu-hsiang during the bandit-suppression campaign in 1915. During the Northern Punitive Expedition in 1927, he was promoted to the rank of brigadier commander because of meritorious services. He distinguished himself during the Hsifengkou battle against the Japanese in 1933. As a brigadier commander under General Feng Chih-an, Commander of the 37th Division, he headed one regiment and launched a surprise attack on the Japanese barracks there, inflicting heavy casualties on the Japanese armies.

"Christian General" Writes Poem in Memory of Dead Officers

General Feng Yu-hsiang (the "Christian General") has written a poem on Generals Tung Lin-kuo and Chao Teng-yu, officers of the 29th Army who were killed while directing operations against Japanese troops in the suburbs of Peiping. The last two lines read:

"Wait for me there,
I will join you in the near future!"

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Peace Corps Mutinies at Tungchow—Huge Massacre of Japanese Inhabitants

How the Paoantui (Peace Preservation Corps) units in Tungchow under the bogus East Hopei regime mutinied on the morning of July 29 and launched a surprise attack on the Japanese barracks there was narrated in a circular telegram issued by the captains of the Paoantui, Chang Ching-yu and Chang Yen-ten. Since the Sino-Japanese hostilities at the Great Wall in 1933, the telegram said, the militiamen have been put under the command of Yin Ju-keng, head of the bogus East Hopei regime. Dissatisfied with Yin's treacherous acts toward the country, the Paoantui has long thought of seizing an opportunity to revolt, the wire continued. The opportunity presented itself on the morning of July 29, when, taking the bogus authorities unaware, it launched an attack upon the East Hopei government offices and the headquarters of the Japanese garrison. Concluding, the telegram declared that the Paoantui would henceforth abide by the orders of Gen. Chiang Kai-shek, and Gen. Sung Cheh-yuan, Commander-in-Chief of the 29th Army.

A *Domei* message from Tientsin Aug. 1 stated that two-thirds of a Japanese and Korean population of 350 persons in Tungchow, seat of the East Hopei Autonomous Government, were massacred on Thursday by mutinous member of the Peace Preservation Corps. Known survivors, (who are being taken care in the Japanese barracks), are 45 Japanese and 40 Koreans.

Lieut.-Gen. Katsuki, commander of the Japanese forces in North China, addressed a message of thanks to the Third and Fouth Battalions of the East Hopei Peace Preservation Corps for the assistance rendered a Japanese relief column in suppressing the uprising. The Fourth Battalion joined Japanese troops in the final assault on their mutinious comrades. The Japanese commander also made the two battalions a gift of Yen 20,000. The mutineers were driven away from Tungchow by Japanese reinforcements that pursued them to the vicinity of Peiping, where the gendarmes were disarmed.

A motorised Japanese column, accompanied by cavalry, clashed with a group of the Tungchow Peace Preservation Corps between Peiping and Yenching July 20 and, it is claimed, mowed down the Chinese with machine-guns. Several hundreds of members of the Corps are said to have been killed.

Beating their way from Tungchow after putting up a valiant fight against the Japanese, the Peace Preservation Corps under Cols. Chang Yen-tien and Chang Ching-yu Aug. 1 entrenched themselves at points along the Yungting River, according to a message received in Nanking Aug. 1.

The peace preservation corps under the command of Gen. Shih Yu-shan, who assisted the 37th Division in defending Wanping, are now scattered along the Peiping-Hankow Railway, the message stated.

Two thousand members of the peace preservation corps in northern Chahar, it was further reported, are now taking up defensive positions along the Peiping-Suiyuan line.

Wife of Japanese Adviser, Victim of Mutiny, Escapes in Chinese Clothes

Mrs. Masahiko Okamura, wife of one of the Japanese advisors to the Peace Preservation Corp, (killed during the mutiny), was one of the survivors of the Tungchow mutiny. Disguised in Chinese clothes, she trudged 20 miles to Peiping across fields, in company with Mrs. Sung Shao-tsai, wife of a high official of the East Hopei Government, and the former's children. She related that she was awakened at 2 a.m. Thursday by shouts; she arose to help her husband put on his uniform. As he was about to leave, three Peace Preservation Corps men walked into the house and fired three shots at him, point blank. Dressing her children and self in dirty Chinese clothes, with the assistance of her boy and Mrs. Sung, Mrs. Okamura escaped detection, and in due course reached Peiping in safety.

Feeling Runs High in Tokyo as Massacre Is Reported

Domei stated that feeling ran high in Tokyo Aug. 1 as meagre reports received from Tientsin and Peiping indicated a massacre of Japanese residents at Tungchow by Chinese gendarmes, pledging allegiance to Nanking, last Thursday.

Yin Ju-keng Seized by Mutineers and Reported Killed

Yin Ju-keng, who since Nov. 25, 1935, had headed the East Hopei Anti-Communist Autonomous Government, was captured (and, according to same accounts, killed) by mutinuous members of the East Hopei Peace Preservation Corps, at Tungchow during the recent mutiny. Chih Tsung-mo was appointed acting head of the government by Lieut.-Gen. Katsuki, who took this step, according to an official Japanese announcement, to prevent "unnecessary civil commotion and unrest."

Japanese Bomb Paoting

The Japanese aerial bombardment of Paoting, provincial capital of Hopei, was reported in a message received in Nanking, Aug. 1. After scouting thrice over Paoting on Friday morning, a squadron of seven Japanese airplanes reconnoitered over the city at 1.30 p.m. Flying over the railway station in the western section of the city, they dropped ten bombs on a troop train standing at the station; 4 cars were destroyed. More than ten Chinese soldiers were killed and wounded. The Japanese airplanes also brought their machine-guns into play, killing several pedestrians.

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Chinese Withdraw from Changhsintien Following Bombing by Chinese

Chinese troops started a general withdrawal from their defense line in Changhsintien July 30. The withdrawal was necessitated by the heavy aerial and artillery bombardment by the Japanese forces. More than fifty bombs were dropped by 14 Japanese planes on Changhsintien, inflicting heavy losses on the Chinese forces.

Fierce fighting took place between the Chinese and Japanese troops in the Lukouchiao-Changhsintien sector of the Peiping-Hankow Railway on July 28 and 29. The battle was at first in favor of the Chinese troops. A Chinese armored train, steaming northward from Changhsintien, 4 miles south of Lukuochiao, held up the Japanese troops at Shakang, less than 2 miles north-east of Wanping city. The situation however, took a sudden turn in the evening when two Japanese airplanes bombarded Changsintien.

A circular telegram declaring their return to the Government fold was received in Paoting Aug. 1 from Chang Ching-yu and Chang Yen-tien, chiefs of the Peace Preservation Corps at Tungchow, the seat of the puppet regime under Yin Ju-keng. The telegram bore the signatures of the chiefs of the various units of the Corps, which numbered more than 20,000 men.

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Japanese Occupy Nanyuan, After Short, Sharp Engegement

Forces under Lieut.-Gen. Bunzabura Kawagishi completed the occupation of the Nanyuan barracks at 1 p.m. July 28. The Chinese defenders put up strong resistance, utilizing for cover the half-wrecked buildings, many of which were destroyed by fire after the morning's bombardment, a Japanese announcement said. A large number of Chinese dead lay about the former Chinese positions, according to a communique issued by the Japanese army headquarters at Tientsin.

The main engagement at Nanyuan opened at 11:30 a.m. July 27. Supported by an artillery barrage, the Japanese troops closed in on the barracks, occupying them two hours later.

Meanwhile, another Japanese detachment attacked on Pingfang, situated northwest of Peiping, on the Peiping-Suiyuan Railway. The raid was followed at 2:30 p.m. by the occupation of Tsinghuachen, 20 klms. by rail from Peiping, and the severance of the Peiping-Suiyuan Railway.

Still another force, occupied Shahochen, 20 klms. north of Peiping. at 10:30 a. m. The attack on Hsiyuan was launched at 5:30 a.m. but the Chinses positions there resisted the Japanese onslaught until a late hour at night.

With the capture of Langfang July 27, the Japanese troops controlled the approaches to the ancient Capital by the Peiping-Tientsin and the Peiping-Suiyuan Railways.

With a strong Chinese force entrenched at Lukouchiao and Changhsintien, the Pinghan Railway still remained available for the retreat of the Chinese forces.

Piteous Scenes Witnessed in Nanyuan

A *Reuter* message from Peiping July 29 stated that the main road and ditches stretching to Nanyuan from a point three miles south of Peiping were filled with at least 500 Chinese dead, including a number of villagers. About thirty motor-trucks and staff cars had been wrecked and their occupants blown to pieces, apparently by hand-grenades. The road was strewn with guns, pistols, big swords, dud shells and dead horses. The east end of the airfield had been the scene of a hot duel with light artillery, and the rival pieces were still confronting each other at a distance of a hundred yards. A few bodies were to be seen on the airfield, but the Japanese had apparently been burying their own dead at sunrise.

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Admiral Shen Wishes to Make Tsingtao a "City of Peace"

In view of the tension in North China, Chinese and Japanese in Tsingtao have both given assurances that the war in the Peiping-Tientsin area would not affect peace in Tsingtao.

Admiral Shen Hung-lieh, Mayor of Tsingtao, July 24 summoned a meeting of local leaders and informed them that appropriate measures had been adopted for maintaining peace and order. Adequate protection, he emphasized, would be accorded to foreign residents in Tsingtao. Admiral Shen also urged the local populace not to give credence to current rumors, but to co-operate with the Municipal Government in making Tsingtao a "City of Peace."

Japanese Plain-Clothes Men Said Active in Tsingtao

Japanese plain-clothes men, disguised as Chinese, are reported to be active in Tsingtao, attempting to spy into Chinese military secrets, against which the Chinese authorities are taking precautionary measures.

Panic-Stricken Chinese Flee from Tsingtao

Fear of grave developments in the North China situation has precipitated a wholesale exodus of panic-stricken Chinese from Tsingtao.

Japanese at Tsingtao Being Shipped to Japan

Japanese families, who have been concentrating in Tsingtao from other parts of Shantung since the outbreak of the North China crisis, are being shipped back to Japan.

Han Fu-chu Returns to Tsinan After Visit to Nanking

General Han Fu-chu, the Governor of Shantung, returned to Tsinan by train Aug. 1 afternoon, after a brief visit to Nanking. During his short stay there he conferred with General Chiang Kai-shek and General Feng Yu-hsiang. During his talk with the Generalissimo, General Han Fu-chu is reported to have asked for instructions concerning the present crisis. Prior to his visit to Nanking, Gen. Han Fu-chu, chairman of the Shantung Provincial Government made a secret trip to Hsuchow, where he conferred with Gens. Hu Chung-nan and Liu Cheh regarding an anti-Japanese military campaign.

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Nanking Observers See Likelihood of General Sino-Japanese Hostilities

Competent observers in Nanking quoted by *Central News* Aug. 2 professed to see in the latest measures adopted by the Japanese Government immediate likelihood of general hostilities between China and Japan. In the first place, it was pointed out that Japan's huge emergency appropriation of 100,000,000 yen to be shortly increased by another 400,000,000 yen unmistakably shows her intention to extend her military campaigns in China. The continuous stream of over 160,000 reservists from Japan is considered as further evidence of her warlike intentions.

The various Japanese divisions that have already reached China are all on the war footing and more reinforcements are expected shortly from Korea, where ordinary passanger and freight traffic on railways has been suspended as from August 1.

The closing of the Japanese consulates at Chungking, Shasi and Ichang and the evacuation of Japanese subjects from various parts of China are held to be ominous signs of an approaching conflict on a major scale.

Japanese military transports are ceaselessly shipping reinforcements and military supplies to North China. At Tsingtao alone there are more than ten such transports.

The Japanese military were feverishly loading 100 autotrucks and other motor transports on a long train at the East Station, in Tientsin, July 28. At the same time, Japanese troops were coming up by truck-loads.

General Katsuki Asks Support of Japanese Nation

With the continued northward advance of 20 Chinese divisions along the Pinghan and Tsinpu Railways, the situation in North China "is taking a turn for the worse," Lieut.-General Katsuki, Commander-in-Chief of the Japanese Garrison in Tientsin, declared Aug. 1 in a radio broadcast to Japan. Appealing to the nation for continued support, Lieut.-General Katsuki said he hoped the Japanese people would "realize the fact that the Army had no alternative but to resort to arms."

Admiral Hasegawa Warns Nanking Navy

A warning against the recrudescence of anti-Japanese agitation in Central and South China, as a result of the current hostilities in the north, was served on the Chinese Navy Ministry at Nanking by Vice-Admiral Kiyoshi Hasegawa, Commander-in-Chief of the Japanese Third Fleet.

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Chinese Vanguard Arrives at Tsangchow

The vanguard of troops dispatched to aid the Chinese forces defeated in Tientsin were reported July 31 to have reached Tsangchow, an important station on the Tientsin-Pukow Railway, about 70 miles south of Tientsin. Other Central units were said to be marching north from Hsiuchien, east of Hsuchow, at the junction of the Tsinpu and Lunghai Railway.

Chinese troops, which retreated from Tientsin after a series of clashes with Japanese troops during the previous four days, were reported to have established new positions at Tuliuchen and Machang, south of Tientsin on the Tientsin-Pukow Railway.

The 29th Army, has been placed under the command of General Feng Chih-an, Commander of the Division, following General Sung Cheh-yuan's resignation from his post because of "illness." Both officers are now in Paotingfu.

Two Chinese armies which formerly were part of the Kuominchun are distributed between the Peiping-Hankow and Peiping-Mukden railways, south of Peiping, and also across the country between the Peiping-Hankow and the Tientsin-Pukow railways, south of Tientsin, according to semi-official Chinese reports issued July 28. They are the 26th Army, commanded by General Sung Lien-chung, and the 40th Army, commanded by General Pang Ping-hsun. The Kuominchun, or National People's Army, which is no longer in existence, was under the command of the "Christian General" Feng Yu-hsiang, who is now vice-Chairman of the National Military Affairs Commission in Nanking.

Chinese Preparations as the Japanese See Them

Orders to stand-by for war with Japan were issued by Gen. Chiang Kai-shek, on the night of July 27, to his troops, a *Domei* message from Tokyo July 29 stated.

Gen. Chiang, the reports alleged, simultaneously instructed Gen. Sung Cheh-yuan, to reject the demands served by Lieut.-Gen. Kiyoshi Katsuki, Commander-in-Chief of the Japanese forces in North China.

Central troops concentrated in Paoting were said to be marching towards Peiping, their vanguard having already reached Changhsintien. With the arrival of the main body at the latter point, a general offensive, according to the reports, was to be launched upon the Japanese forces.

Gen. Li Tu to Proceed to North China

With the mission of rallying his old followers for the defense of the country, Gen. Li Tu, formerly one of the most intrepid leaders of the volunteers in Manchuria, is leaving for North China in a day or two, a Nanking message stated.

Gen. Li, who gained fame as one of the staunchest commanders of the self-defense army in Manchuria in 1931 following its occupation by the Japanese army, was recently summoned to Nanking to render a report on the activities of the Northeastern volunteers. A graduate of the Mukden Military Academy, Gen. Li was formerly Garrison Commander of Kirin before the Japanese invasion of Manchuria on Sept. 18, 1931.

26,543 Chinese Youths Conscripted in Nanking

Altogether 26,243 out of a total of 32,305 youths between the ages of 20 and 25 have been enlisted in Nanking under the Conscription Act. According to figures from the Nanking conscription office, 2,779 persons have been exempted from ordinary conscription while 2,897 other have been allowed to postpone their enlistment to a later date owing to various grounds.

China's Boy Scouts to Be Mobilized for War Time Service

The mobilization of 500,000 boy scouts above the age of 15 for war-time service in the rear has been ordered by the China National Boy Scouts Association, of which Generalissimo Chiang Kai-shek is the chairman.

"War, Long and Bloody"—Chinese General Makes Forecast

"War, long and bloody" can only result from the present conflict," according to General Hsiao Chen-ying, former right-hand man of General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, when he arrived in San Francisco, July 28 by airplane from Washington en route to China to join the Chinese forces.

Educators at Kuling Send Fervent Message to Gen. Sung Cheh-yuan

"Better stain every inch of the Chinese territory with Chinese blood than let the enemies trample upon it freely," was the statement contained in a message addressed July 29 to Gen. Sung Cheh-yuan, Commander-in-Chief of the 29th Army now in Paoting, by a group of prominent educators following the adjournment of the second "summer conversations" in Kuling, July 29.

Central Troops Under General Tang En-po Enter Kalgan

Central troops commanded by Gen. Tang En-po arrived in Kalgan on the night of Aug. 1 from Shansi. Their arrival, Japanese military quarters in Tientsin said, might force Lieut.-Gen. Liu Ju-ming, Chairman of the Chahar Provincial Government and a subordinate of Gen. Sung Cheh-yuan, Commander-in-Chief of the Twenty-Ninth Army, to throw in his lot with the Central Government. Such action, the Japanese said, would inevitably lead to serious developments in the area.

Nanking to Organize National Defence Government?

The *Shanghai Nippo* July 31 quoted current reports to the effect that Gen. Chiang Kai-shek is accepting the requests of the Communists and the People's Front for the organization of a National Defence Government. This was when to indicate the close co-operation between the Kuomintang the Communists.

Taking advantage of the reorganization, which aims at an armed resistance against Japan, it was foreshadowed that General Chiang would resign as president of the Executive Yuan and would concentrate his attention to the military operations in the country as commander-in-chief of the Chinese armies. It was reported also that Dr. Wang Chung-hui, world be appointed President of the Executive Yuan.

General Tsai Tsing-kai to Come to Shanghai from Hongkong

Gen. Tsai Tsing-kai, one of the leaders of the now defunct Nineteenth Route Army, which fought the Japanese in Shanghai in 1932, was scheduled to leave Hongkong for Shanghai, en route to Nanking, on Aug. 6. The officer will reportedly be accompanied by other leading officers of the Army. Gen. Tsai, *Domei* was informed, will seek funds for the creation of a special service corps, which will harass Japanese lines of communication.

Yunnan Provinces to Support Nanking in Fight Against Japanese

Full support for the policy of resistance against Japanese aggression, as enunciated recently by General Chiang Kai-shek, at Kuling, was pledged by General Lung Yun, Chairman of the Yunnan Provincial Government, in a statement issued July 30.

General Lung said that the four minimum conditions set forth by General Chiang have not only received the approval of the entire people but also the sympathy of the civilized world.

National Federation of Chinese Women Issues Appeal

The National Federation of Chinese Women's Associations issued an appeal at Nanking, July 30 to the women of the world, condemning Japanese aggression in China.

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Gen. Li Han-wen Defies Japanese at Swatow

A tense situation prevails at Swatow where the Japanese naval authorities demanded the removal of General Li Han-wen's troops on the ground of their "anti-Japanese" attitude. A large number of Japanese gunboats are now lying outside the Swatow Harbor.

A Japanese demand presented to the Kwangtung Provincial authorities by the Japanese Consul General in Canton for the removal of Li Han-yun's division from Swatow, has met strong opposition from General Li in a statement issued July 31. General Li averred in his statement that Swatow will be his own grave. In addition, General Li has also made a will, expressing his determination that he would die and live with Swatow and Chaochow.

Additional Japanese Naval Unit Gets Stand-By Order

A naval unit, "other than the Third Fleet," has been ordered to stand-by for an emergency, Admiral Yonai, Navy Minister, announced in the House of Peers, Tokyo, July 31. The Third Fleet, he added, acting in co-operation with the naval force at Port Arthur, is patrolling the China Coast and the Yangtsze River.

Japanese Gunboats Arrive At Haining—Bluejackets Stage Demonstration

Three Japanese gunboats arrived at Haining, near Hangchow, Aug. 1 and their landing parties went ashore staging demonstrations. The boats later sailed out of the harbor for an unknown destination.

On Saturday morning, five Japanese warships were sighted at Kingsanwai, also along the Shanghai-Hangchow Highway on Hangchow Bay near the fortified zone of Chapoo. Three Japanese planes later were sighted abover the vicinity flying at a low altitude to observe Chinese troops.

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Chinese Papers in Shanghai Ask People to Have Confidence in Government

The Chinese papers in Shanghai, Aug. 2 editorially asked the people not to lightly criticize the Government but to have full confidence in it in handling the present serious North China situation.

Recalling the four minimum conditions laid down by Gen. Chiang Kai-shek in his Kuling speech on July 17 and his recent interview with the *Central News* Agency, the journals reminded the public that the Government has mapped out appropriate and definite measures to cope with the crisis.

The present lull, as far as Government action is concerned, was likened by the *China Times* to the lull before a storm, which can hardly be forecast.

The *Ta Kung Paa* said that the future move of the Government has a great bearing upon the existence and extinction of the whole Chinese nation. Therefore, it asserted, the execution of the measures in dealing with the situation should be carefully studied before it can be effected.

Friendly Powers Will Ultimately Help China, Says "Lih Pao"

While resolved to resist Japanese aggression, the Chinese authorities should not neglect their efforts to promote diplomatic relations with nations "friendly with China," declared the *Lih Pao* in a leading article. The Powers which are really friendly with China, according to the journal, are Great Britain, the United States and Soviet Russia. The latter country, it said, is more sympathetic with China's armed resistance against Japan, in view of her territorial propinquity and common interests with China. As regards the other two countries, the paper opined, they will give assistance to China in the long run if China firmly resists Japanese aggression to the bitter end.

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French Press Astonished at Passive Attitude of Powers

Most newspapers in Paris July 30 expressed astonishment at the passive attitude taken by the great powers in the face of the serious situation in the Far East.

"We are astonished at the immobility displayed by Soviet Russia," writes the radical-socialist *La Republique*, "which continues to take no steps towards intervention. By a remarkable coincidence, the Japanese began their attacks shorly after the execution of Tukhachevsky. What actually happened is that Tokyo, which possesses a formidable espionage system, finding that the U.S.S.R is at present in an enfeebled condition, had quickly judged this moment favorable for the realization of her schemes."

L'Ordre stressed that the United States has received assurances from the Japanese Ambassador that Japanese troops will not go beyond a line situated twenty-two kilometers south of the Tientsin-Peking Railway.

German Press Says China Must Depend on Own Strength

The German press July 31 devoted a large part of it space to Far Eastern events, which are being eagerly watched and discussed not only in political circles but also by the man in the street.

Berliner Boersenzeitung pointed out in its leading article that the present struggle in North China showed symptoms of the beginning of a transformation of the Chinese people which were of the greatest importance for the future. The latest fighting in North China had revealed the awakening of Chinese activity. Although the Japanese seem to have been successful so far, it remained an open question whether the Japanese trained soldier was any better than the Chinese trained soldier.

The paper believes that Britain and the United States would do nothing for the protection of China and that China therefore had to depend on her own strength and her traditional wisdom.

Moscow "Pravda" Sees North China Being Converted Into a Second Manchuria

Moscow *Pravda* July 30 commented: "The Japanese militarists have decided that the present moment is favorable for transforming North China into a second Manchukuo. The methods of the Japanese aggressors are known to the whole world: they provoke 'incidents' then send their troops allegedly to bring order and, finally annihilating the peaceful population, seize alien territory. Through the example of the events unfolding in North China the whole world again realizes that the so-called struggle against Communism is really a piratical seizure of alien territory.

"Mr. Hirota's speech once again shows that in this respect Japanese policy has remained absolutely unchanged. As previously, it is pursued in accordance with the instructions of the Japanese military circles.

"The speeches of the Japanese ministers at the extraordinary session of the Parliament sufficiently clearly demonstrate that Japanese foreign policy has remained the same as since the seizure of Manchuria, and that those statesmen in the West, who during the brief period of Mr. Satoh's occupation of the post of Foreign Minister, hoped that the Japanese Government would adopt a more moderate course in its policy, were mistaken."

Moscow *Pravda* Aug. 1 commented: "The Japanese militarists hasten to materialize their aggressive plans in North China and enslave new millions of the Chinese people. The Nine-Power Washington Treaty has been torn by Japan into scraps of paper—only a rememberance has remained of the much proclaimed principle of the 'open door.' The Japanese militarists wish to place Britain and the United States before an accomplished fact—the seizure of North China."

New York "Times" Sees Japan Hoping to Present Another "Fait Accompli"

Japan's rejection of the pleas of Great Britain and the United States was the subject of a leading article in the New York *Times* July 30.

"Evidently," the journal said, "Japan hopes soon to present the world with another *fait accompli*—two more provinces 'freed' from the main body of China." "China's military preparations," the newspaper declared "are still far from complete. The opportunism which led the Generalissimo to acquiesce in earlier concessions to Japan may again dictate a play for time, but now he has to take into account outraged Chinese nationalism and the demands of implacably anti-Japanese Communists in the North-west."

"The Japanese apparently assume," the *New York Times* went on, "that General Chiang Kai-shek, for all his bold words, will remain aloof . . . . The national sentiment of the Chinese masses, however passionately inflamed, can do little more than ineffectively sabotage Japan's occupation of Hopei and Chahar. Thus Japan is gambling on localising the conflict."

The New York *Times* in another editorial entitled, "Japan's Gamble," commented:—"Western powers could hardly expect Tokyo to agree to modify its present policy. Repeatedly during the last six years Japan, despite remonstrances from other states whose interests were adversely affected, has disregarded general treaty commitments to deal with China as a sovereign power and seek spaceful settlement of Sino-Japanese differences. Today there are additional considerations which make it unlikely that Japanese will be any more mindful of the advice from the west."

Italians See Japan Establishing Control Over New Part of China

Practically the first authoritative Italian press comment on recent developments in the Far East has was published in *Voce d'Italia* in Rome, August 2, by Signor Gayda, who is generally considered to be the mouthpiece of Signor Benito Mussolini. "Japan's advance from its islands to terra firma in Asia," he says, "is the fatal historical movement of a dense population of workers and warriors which cannot be contained in adequate territory." "We must, therefore, expect," adds Signor Gayda, "that one of these days, after a series of battles and diplomatic disputes, the world will learn that Japan has established control over a new portion of China."

Important Regional Military Leaders Confer With Chiang at Nanking; Kung Secures Loan Abroad

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Gens. Pai Chung-hsi, Han Fu-chu, Yen Hsi-shan, and Yu Han-mou Visit in Nanking.**
2. **More Japanese Warships Arrive at Swatow, Gen. Li Determined "to Die With City."**
3. **Japanese Attack on Tsingtao Feared, Many Chinese and Japanese Leave Port.**
4. **Dr. H. H. Kung Secures New Huge Loan in London for China's Railways**
5. **Wang Ching-wei Says Results of Kuling "Summer Conversations" Satisfactory.**
6. **Seven Leaders of "National Salvation Association" Released, Now in Nanking.**

Gen. Pai Chung-hsi, Deputy Commander-in-Chief of the Fifth Route Army in Kwangsi, arrived at Nanking at 4 p.m. from Kweilin. Gen. Pai came aboard a giant airplane sent earlier to Kwangsi by Gen. Chiang Kai-shek for the purpose. He was accompanied by Li Jen-jen, C.E.C. member resident in Kwangsi. Gen. Pai and Mr. Li were honor guests at a dinner given in the evening by General Chiang. After dinner Gen. Pai had a lengthy conference with the Generalissimo. Though the nature of their interview has not been divulged, it is generally believed that the North China situation was discussed. The Chinese people should today be prepared to sacrifice to the last in order to safeguard the existence of the nation, said Gen. Pai when commenting on the present crisis. Though China's material preparedness may not measure up to that of the aggressor nation, he added, the size of her population and territory is many times that of the "other party".

Gen. Chiang Kai-shek

Gen. Pai Chung-hsi

Gen. Han Fu-chu

Gen. Yen Hsi-shan

Military assistance to the Central Government in a "war of resistance" against foreign aggression in North China was openly pledged by military leaders in Kwangsi and Kwangtung Aug. 2. Several thousand officials and representatives of various public organizations attended an enlarged weekly Sun Yat-sen meeting at Kweilin, Capital of Kwangsi, Aug. 2, when Gens. Li Tsung-jen and Pai Chung-hsi, Commander-in-Chief and Deputy Commander-in-Chief of the Fifth Route Army, spoke lengthily on the North China situation and pledged their support to the government. At the Sun Yat-sen meeting in Canton, which was attended by over 4,000 people, Gen. Wu Te-chen, Chairman of Kwangtung, and Gen. Yu Han-mou, Pacification Commissioner and Commander-in-Chief of the Fourth Route Army, were the speakers. Both expressed that Kwangtung was ready to follow Gen. Chiang Kai-shek in resisting foreign aggression in North China to the bitterest end.

YU HAN-MOU, YEN HSI-SHAN, HO CHIEN INTERVIEW GENERALISSIMO

Three high provincial pacification commissioners have arrived in Nanking to interview Gen. Chiang Kai-shek. They are Gen. Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, Gen. Yu Han-mou, Pacification Commissioner of Kwangtung and Commander-in-Chief of the Fourth Route Army, and Gen. Ho Chien, Chairman of Hunan and Commander-in-Chief of the First Route Army. Gen. Yen flew from Taiyuan and landed at Nanking Aug. 2 while Gens. Yu and Ho arrived Aug. 3, the former reaching Nanking from Canton by plane at 5 p.m. and the latter arriving by boat at 1:30 p.m.

GEN. HAN FU-CHU PAYS HURRIED VISIT TO NANKING

General Han Fu-chu, Chairman of Shantung, arrived at Nanking from Tsinan by train in the morning of Aug. 1 to seek instructions from the central authorities. Shortly after his arrival General Han called on General Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission. At 11 a.m. Gen. Han called on General Chiang Kai-shek, President of the Executive Yuan, to

report to the latter on provincial affairs. During the interview, it is reported, General Fan also asked instructions from the Generalissimo regarding the current situation. Gen. Han returned to Tsinan by train in the afternoon of the same day.

SERIOUS DEVELOPMENTS IN TSINGTAO FEARED MANY EVACUATE PORT

Fear of grave developments in the North China situation has precipitated a wholesale exodus of panic-stricken Chinese from Tsingtao. On Aug. 1 alone over 20,000 are estimated to have left the port. Chinese officials and their families are said to be leaving as fast as possible. Japanese families, who have been concentrating there from other parts of Shantung since the outbreak of the North China crisis, are also being shipped back to Japan.

In spite of repeated assurances given by both Chinese and Japanese authorities that they are exerting their utmost to maintain peace and order, grave apprehension is being felt by the Chinese populace in Tsingtao over the Japanese secret activities there. The Japanese secret service organs are reported to have recruited more than 130 undesirable elements from interior districts with alleged intention to disturb local peace and order.

MORE JAPANESE WARSHIPS ARRIVE AT SWATOW GEN. LI DETERMINED TO DEFEND PORT

Further enhancing the tension in Swatow, two more Japanese warships arrived there Aug. 3. At present altogether nine Japanese men-of-war are mooring off the Swatow coast. Martial law is now in force in that city, and Chinese troops there are ready to meet any untoward events. Earlier Japanese demands for the evacuation of Chinese forces under General Li Han-wen, have been rejected. As a measure of precuation all foreign ships above 200 tons aer required to register with the Chinese authorities before entering Swatow.

Determined to lay down his life in defence of China's territory, Gen. Li Han-huen, Commander of the 155th Division stationed in Swatow, has made his last will that he will "live and die with the city", according to a Canton dispatch to the *Sin Wen Pao* Aug. 3. Gen. Li's troops, it may be recalled, have recently been asked to withdraw from Swatow by the Japanese the demand was made on the ground that his soliders have instigated the wharf coolies in Swatow to walk out on Japanese vessels calling at the port. Rejecting the Japanese demand, the Kwangtung provincial authorities were stated to have reinforced Gen. Li's men by dispatching troops of the 153rd Division to the city. Japanese residents to and around Swatow are said to have been ordered to evacuate the city in the shortest possible time. Japanese merchants have also wound up their business in the southern port, reports *Central News*.

Evacuation of Japanese women and children from Canton was ordered Aug. 4 by Consul-General Toyoichi Nakamura. More than 150 residents will leave Canton within the next few days for Hongkong, en route to Japan. Immediate evacuation has been made impossible by the refusal of Chinese coolies to work for the Japanese.

TSAI TING-KAI GIVEN GRAND WELCOME IN CANTON, COMING TO SHANGHAI

An extremely warm welcome was accorded General Tsai Ting-kai, former commander of the 19th Route Army, on his arrival at Canton Aug. 4 by steamer from Hongkong after many months' absence abroad. A huge crowd, including General Wu Teh-chen, Governor of Kwangtung, General Hsiang Han-ping, Deputy-Commander of the Fourth Route Army, and other officials, thronged the wharf to greet the soldier who became internationally famous for his stand against the Japanese during the Shanghai hostilities in 1932. After visiting Canton for one day, General Tsai left for Hongkong Aug. 4 to catch the *Empress of Japan* for Shanghai, whence he intends to proceed to Nanking. Interviewed by *Reuter*, General Tsai, who is now grey-haired, declared that he had decided to sink all personal differences and fight under a united banner for China should diplomatic exchanges fail and war break out. The Central Government, he added, had already organised its defence policy, and his trip to Nanking was for the purpose of offering his services to the Generalissimo.

JAPANESE PLANES ACTIVE IN HONAN AND KIANGSU

Japanese airplanes were active in various parts of the country Aug. 1, according to reports received in military circles. A Japanese airplane, dark grey in color, circled over Chungmou, Hanghuang and Kaifeng, provincial Capital of Honan, at 12.17 p.m. Another Japanese airplane flew over Tsinan, provincial capital of Shantung, at 9.40 a.m. It left eastwards 20 minutes later. Three Japanese scouting airplanes also appeared over Chinshanwei, on the Kiangsu-Chekiang border, at 3 a.m. A Canton message states that three Japanese airplanes appeared over Hweiyang and Tamshui at noon. They departed after more than half an hour's reconnaissance.

Flying in a high latitude Japanese observation planes appeared over Anyang, a strategic point on the Honan-Hopei border, Aug. 1. Messages from Loyang state that Japanese planes also made reconnaissance flights over Loyang and Chengchow on the same day.

A Japanese airplane appeared over Lienyunkiang, the eastern terminus of the Lung-Hai Railway in north-eastern Kiangsu, at noon July 31. After discharging a volley of machine-gun shorts, the airplane departed.

NANKING PREPARED FOR AIR RAIDS, ANTI-GAS MASKS SOLD AT $11 APIECE

Nanking has made adequate preparations against air raids, announced Lang Kwei-ti, secretary-general of the Metropolitan Air Defense Association, Aug. 4. Since the outbreak of the Lukouchiao incident, Mr. Lang said, the Association has intensified training of the anti-air corps, replenishment of first aid supplies, and education of the public. He further stated that an air-defense publicity drive will shortly be launched in Nanking and that Chinese-made anti-gas masks are being sold by the Association at $11 a piece.

SUIYUAN COMMANDERS MEET TO DISCUSS MEASURES TO STRENGTHEN DEFENCE

Defence duties in eastern Suiyuan were discussed in detail on July 31 at a conference attended by Lieut.-Gneral Tang En-po, Commader of the 13th Army; General Fu Tso-i, Chairman of Suiyuan and concurrently Commander of the 35th Army; Lieut.-General Chao Cheng-shou, Commander of the Shansi-Suiyuan Cavalry Forces; and Lieut.-General Men Ping-yo, Commander of the 7th Ping-yo returned to their garrison posts in eastern Suiyuan Aug. 1. In anticipation of attacks by Japanese airplanes when the "Manchukuo" and Mongolian bandits renew the invasion of Suiyuan, the Air-Defence Headquarters for Suiyuan has issued a circular order instructing civilians to hasten the building of dugouts against air raids; to organize self-protection societies; to dig wells in their courtyards and store up quantities of sand in their courtyards and store up quantities of sand for extinction of fires caused by incendiary bombs. Handbills containing simple rules for air defence have been distributed by the Air-Defence Headquarters for the enlightenment of the public.

HUPEH AUTHORITIES TAKE PRECAUTIONARY MEASURES

General Huang Shao-hsiung, Chairman of Hupeh, summoned the water police force of Hankow for instructions July 31, and reviewed the Garrison Bridgade. To strengthen local peace and order, the Hankow Municipal Police Bureau has decided to enlist 960 volunteers. All able-bodied persons between the ages of 20 and 40, who have completed the higher primary school course, will be given rigid training in order to augment the police force during the emergency period.

The organization of a patroling corps for the protection of the Canton—Hankow Railway has been decided upon at a meeting of the railway authorities at Hankow. A set of measurers governing the prevention of subversive activities by agents of the enemy was issued July 31. 1,700 village officials in 22 districts of Hupeh are receiving special training at the Hupeh Provincial Village Officials Training institute, of which General Huang Shao-hsiung is concurrently Principal. Speaking at the weekly memorial service of the institute Aug. 1, General Huang said that, in time of war especially, the village officials must discharge their duties loyally and be capable of enduring hardships; orders of the superior authorities must be promptly carried out. General Huang also uged the village officials to pay special attention to the organization of the *pao-chia* (mutual guarantee) system, training of volunteers, raising the morale of the people for resistance against foreign aggression, organization and training of women and youths, maintenance of the taxation system, suppression of traitors, and preservation of local peace and order. Despite active precautionary preparations in

Peiping and Tientsin the Japanese authorities in Hankow do not think it necessary to take similar precautions there. A message to this effect was conveyed to the local Chinese authorities July 27 by the Japanese Consul-General. Everything in the Japanese Concession, meanwhile, remains quiet. A gold wedding ring and an earpick have been received by the Hankow Association for the Support of Armed Resistance against Japan as contributions to the "war chest."

Four Chinese traitors were executed at Hankow Aug. 3 by orders of the Generalissimo's Provisional Headquarters on charges of being engaged in smuggling. The four traitors, namely, Wu Ping-chang, Feng Shu-tang, Tao Chien-ching and Chen Cheh, were arrested by the local authorities some time ago.

All Japanese residents in Chungking led by their consul, Mr. Kasuya, left for Shanghai July 31, aboard the *Yiyang Maru*. The boat was escorted by a Japanese warship. Alarmed by the events in North China, 23 Japanese women and children arrived at Shanghai from Hangchow on July 30. Included among them was Mrs. Yuze Matsumura, the wife of the Japanese vice-consul in Hangchow, and their three children.

Sevnty three Japanese nationals resdent in Hunan province, including the Consul, left Changsha Aug. 4 aboard a Japanese gunboat for Shanghai enroute to Japan. Before their departure the Japanese Consul called on the Chinese authorities in Changsha, handing over the properties of the Consulate to the latter for protection.

Dr. Chu Chia-hua, Chairman of Chekiang, returned to Hangchow from Nanking July 31, after reporting on the civil administration of Chekiang. He subsequently conferred with the military and police authorities regarding measures for the strengthening of local peace and order. More than 20 suspects who were arrested in various cities in Chekiang have been handed over to the Chekiang Provincial Peace Preservation Bureau for trail.

NANKING ACTS TO CHECK EXPORTS OF SCRAP METAL

Since the trouble in North China has shown signs of developing into more serious proportions, over 200 hawkers of a new type have suddenly made an appearance on the streets of Nanking, offering cheap candy andd crockery in exchange for quantities of scrap iron and copper. Local authorities are rather perturbed by the new development and investigations are being made into the matter. According to investigations, these new hawkers operate chiefly in the poorer southern section of the city, each collecting an average of 10 catties of scrap metal a day. Of significance is the fact that metals of military use are most eagerly sought. The scrap metal is sold in Shanghai where nationals of a "certain country" are said to be offering attractive prices for old iron and copper. It is estimated that over 2,000 catties or considerably over a ton of scrap metal is gathered in the capital daily and sold to Shanghai collectors. By a strange coincidence, the price of scrap metal in Nanking is reported to have taken a sudden jump over the prices two weeks ago. It is reported that many such buyers are also operating in other areas on the Yangtse between Nanking and Shanghai. The hawkers are all Chinese, as far as can be determined. The situation has been reported to the Capital police and military headquarters which are expected to conduct investigations thoroughly into the operations of these hawkers. Meanwhile, it is reported that besides buying scrap metal, a number of grain buyers have made an appearance in the Nanking-Wuhu district rice marts.

Altogether 26,543 out of a total of 32,305 youth between the ages of 20 and 25 have been enlisted in Nanking under the Conscriptiion Act which is being enforced in the Capital. According to figures from the local conscription office, 2,779 persons have been exempted from ordinary conscription while 2,897 other have been allowed to postpone their enlistment to a later date owing to various reasons, says *Central News*.

DR. H. H. KUNG SECURES NEW BIG LOAN FOR RAILWAYS

The Chinese Minister of Finance, Dr. H. H. Kung, has concluded, on behalf of his government, two contracts for loans totalling £7,000,000, which will be used for railway construction in China, according to a *Reuter* report from London July 30. The contracts were made with the British and Chinese Corporation, with which the China Finance Corporation of Shanghai is associated. The first contract is for a loan of £3,000,000, at five per cent, to be used for the construction of a railway, from Shektan, on the Canton Kowloon Railway, to Meihsien, in Kwangtung Province. The loan is secured on the revenues of the railway, with the Salt Gabelle as collateral. Part of the money is to be spent on the purchase of material and equipment for building the line, and it is expected that the loan will in due course be offered to the public in London. The second contract is for £4,000,000 which will be used for the construction of a railway from Pukow to Hsiangyang, Hupeh. The terms are identical with those of the other loan, making a £7,000,000 tital cintract with British financiers for the two imported railways.

In an earlier message from London cabled by the *Havas* Agency, Dr. Kung in referring to the conclusion of the new railway loan, said: "China does not need money but foreign capital offers an advantage in that it is not necessary to send funds out of China in order to buy the needed materials. Moreover, foreign interest rates are considerably lower than those in China. The interest rate of the loan will probably be 4 per cent but that detail will depend on circumstances and the state of the money market when the loan is concluded. Although the loan will be launched exclusively in London, capital of other countries can be subscribed. Other than this operation, Dr. Kung let it be understood that the conversion of Chinese internal loans to the total of $20,000,000 into foreign loans is being considered. The Chinese Finance Minister declared that he was quite pleased with welcome that had been accorded him in all the countries he had visited. He emphasized that the efforts of the Nanking Government are now being concentrated on communications, the exploitation of mineral resources and the creation of heavy industry and textile industries. Regarding the communist forces in China, Dr. Kung, in answer to a question by one of the newsmen declared that following an accord between the leaders of this movement and the Central Government these forces were dispersed and were free to become peasants or to be absorbed into the regular army. His negotiations do not bear on the buying of war materials, Dr. Kung said, recalling that the Chinese budget provides credits for this purpose and that up to now the Government had not planned to open additional credits for war material.

DR. C. KUANGSON YOUNG HONORED BY N.Y. FOREIGN POLICY GROUP

Dr. C. Kuangson Young, Managing Director and Editor of *The China Press*, was honored at a luncheon given by the Board of Directors of the Foreign Policy Association at the Town Hall Club, New York, July 30. Dr. Young spoke, discussing with those present on the Sino-Japanese crisis. James McDonald, Honorary President of the Board and member of the editorial board of the *New York Times*, presided. The guests included Bruce Bliven, editor of the *New Repulolie*. Mr. Goldsborough, Foreign News Editor of *Time*, Mr. Fletcher of the British Library Information and others interested in the Far East. Dr. Young addressed students at Duke University August 3, in Durham, North Carolina, on the Japanese invasion of North China.

NORTH CHINA WAR EXPECTED TO BE LONG AND BLOODY

"War, long and bloody" can only result from the present conflict," according to General Hsiao Chen-ying, former right-hand man of General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, who arrived at San Francisco July 28th, by airplane from Washington en route to join the Chinese forces. "For the first time in her history," he said, "China is really becoming unified. We are confident we can repel Japan. We have tried all peaceful measures, but finally had to adopt defensive action." General Hsiao expects to participate actively in the fighting in North China.

CHINESE ENVOY IN MOSCOW LEAVES FOR NANKING

The Chinese Ambassador in Moscow, Tsian Ting-fu, has departed for Nanking according to an announcement issued in the Soviet Capital. During his absence the Chinese Embassy in Moscow will be in charge of Shi-I Chao who holds the rank of Charge d'Affaires.

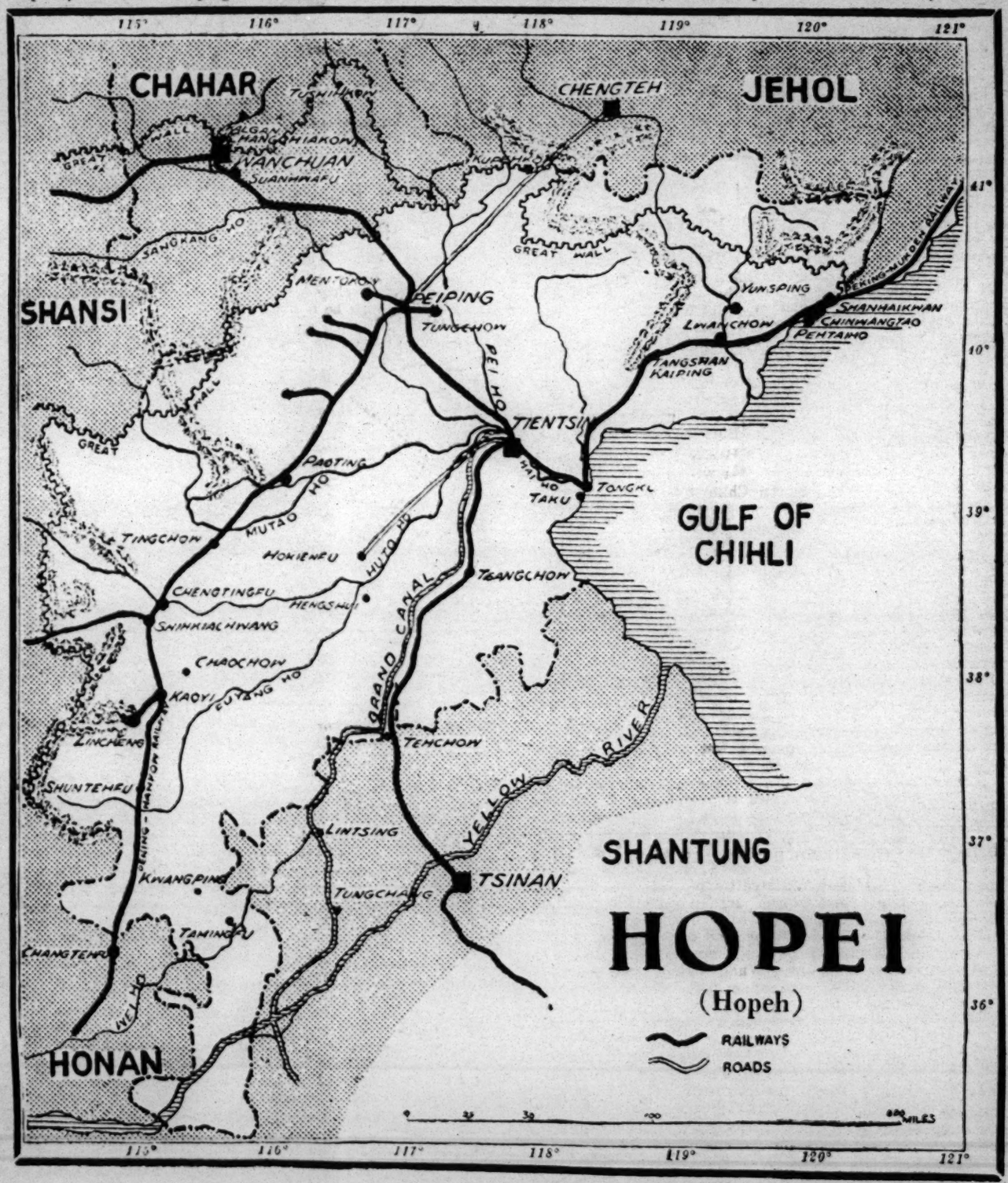
WANG CHING-WEI SAYS RESULTS OF KULING CONVERSATIONS SATISFACTORY

Much benefit has been reaped by the Government from "summer conversations" recently held at Kuling, declared Wang Ching-wei, Chairman of the Central Political Council, at the weekly memorial meeting at

(*Continued on page 381*)

Tientsin, Huge Port With 1,400,000 Inhabitants, Now in Hands of Japanese

The flames which swept Tientsin following a Japanese aerial bombardment of the city have carried with them much of the modern magnificence of the ancient Chinese city, but after 4000 years of variegated history it is to be expected that modern instruments of destruction will provide simply a dark cloud and a temporary set-back in the progress of Tientsin.



Shanghai Evening Post Map

Geologists believe that the land on which the city is now located was built up by the great deposits of silt being carried down the Yellow River, which has changed its course as often as a woman changes her mind. Tientsin was known as a fishing port in the legendary age of the great Yu, founder of the first Chinese dynasty in 2205 B. C., and was known as the "Country of the Sea King."

The present name of the city dates from the Ming Dynasty, when Emperor Yung Lo, who moved the capital of China from Nanking to Peking in 1421, made Tientsin a garrison town for the protection of the capital, and called the town Tien Chin Wei —"A ford leading to the city of the Son of Heaven." The significance of the name, Rasmussen points out in his "History of Tientsin", arises from the fact that embassies from the tributary states were obliged to ford the waterways at Tientsin on their journey to the capital.

The first European Embassy, sent by the Dutch, which passed through Tientsin in 1655, marvelled at the size of the city, its commerce and its defence works, for, they noted, all ships with cargoes

for Peking had to stop at the city.

The modern history of the port and city dates from the Treaties of Tientsin in 1858, writes W. V. Pennell, Editor of the *Peking and Tientsin Times* and past president of the Tientsin Rotary Club. At that time four European powers were demanding trading rights, may be even "economic cooperation," and they knocked with a heavy hand at Taku and Tientsin to wake the Emperor from "his dream of supremacy."

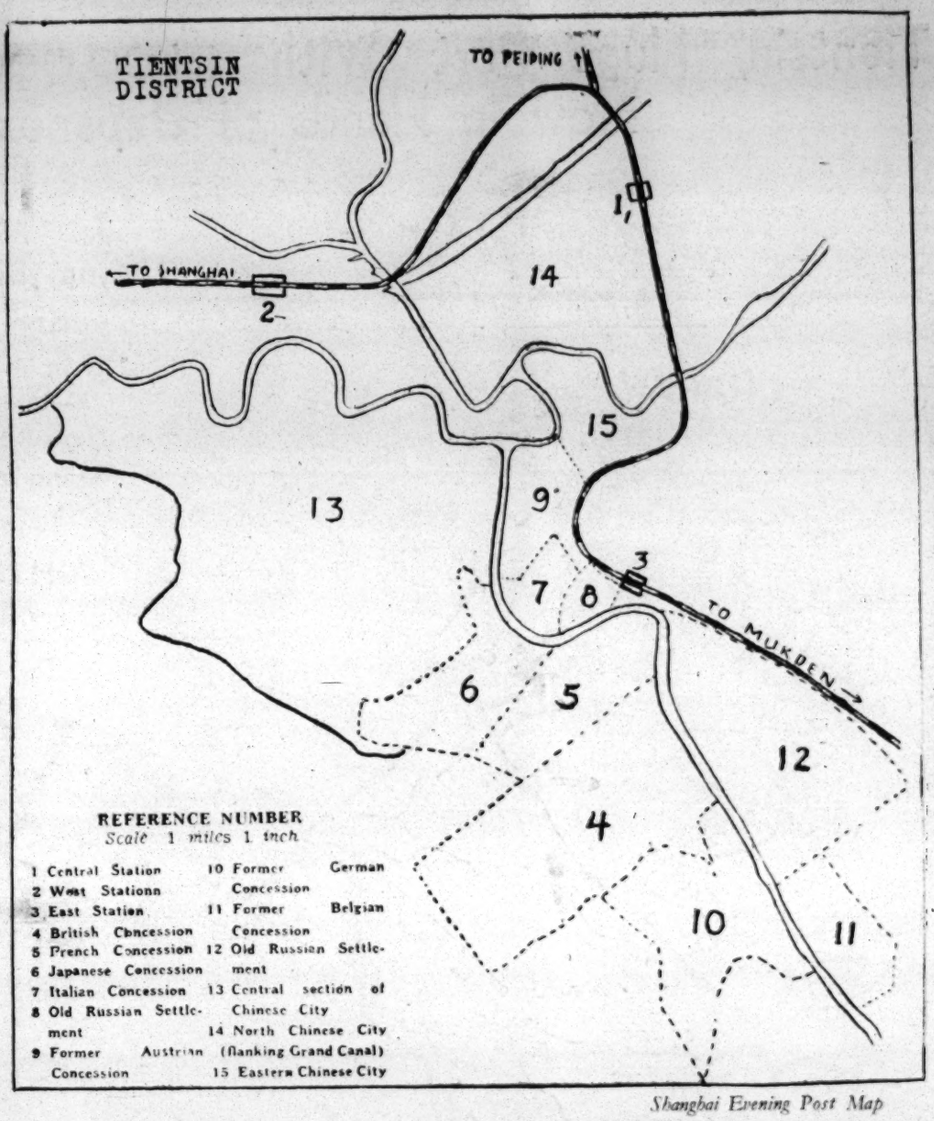
Thereafter the powers were permitted to establish legations in Peking and their nationals to travel and do business. Eventually the concessions were established, the British and French being given low-lying swamps adjacent to the river, and a similar concession being given the Americans, which was ultimatelty amalgamated with the British area.

Tientsin was the mart of the north, Pennell says, and the shrewdness of the local Chinese traders was noted in a proverb that "Ten oily-mouthed Pekinese cannot get around one tonguey Tientsinner." Most of the pioneer foreign traders were British, and they found a fostered market abroad for Chinese products while finding in Tientsin and its vast hinterland a market for the manufactures of the west.

Twice the foreign trading colonies were threatened with extinction: during the Tientsin riots of 1870 and again in 1900 when the Boxers beseiged the foreign areas. Now, however, Chinese and foreigners are bound with strong ties, and the sentiment of the native population has undergone considerable change.

As Japanese airplanes swooped over Tientsin this week they saw the third largest city in China, with a population of 1,400,000 people, of whom 13,000 were foreigners, exclusive of the garrisons. About half of the foreign population was Japanese, and the foreign garrison (not counting Japanese) numbered 3250 men—800 American infantry, 700 British infantry, 1300 French infantry and 250 Italian marines. The powers stationing troops in the city hold concessions there, the largest being the British and French concessions. Other powers, which formerly held concessions in the city have given up their rights.

Tientsin is also important as a port and as a railway center. The harbor has about 40 berths, but the larger ships coming to Tientsin stop at Taku anchorage, at the mouth of the Hai Ho.



Shanghai Evening Post Map

A commerce that is second in importance only to theat of Shanghai is carried on in the city. The railway line from Shanghai via Nanking runs north into Tientsin; another line links Tientsin with Suiyuan in Mongolia via Peiping; and a third line runs north from Tientsin to Mukden where it links with the Manchurian network, and finally, Hankow is reached over the Peiping-Hankow line.

Like Shanghai, Tientsin is situated in a large plain, and no hills in the surrounding country relieve the monotony of the topography. And like Shanghai in 1932, Tientsin this week became the target for Japanese bombs.

Gen. Wu Teh-Chen's Agricultural Plan for Kwangtung

In three years the province of Kwangtung will have increased its agricultural production sufficiently to be able to take care of the 10,000,000-picul shortage of rice which now faces the province each year, if Gen. Wu Teh-chen, former Mayor of Shanghai and now Chairman of the Kwantgung Provincial Government, is successful in the three-year agricultural plan for the province which he is inaugurating.

The details of the plan, which was outlined in an interview with Dr. D. Y. Lin, Director of the Provincial Bureau of Agriculture and Forestry, published in the Canton *Daily Sun* on July 31, represent the result of careful study and planning not only of agricultural experts but also of bankers interested in the rehabilitation of the depressed rural districts.

During the three year period $90,000,000 will be spent to eliminate the annual shortage of rice in the province and to ameliorate the conditions in rural districts along economic and financial lines.

A rural cooperative program has been planned which calls for the builing of agricultural granaries and transportation facilities, the promotion of silk, tea and fruit industries, the development of fishery and forestry products, the promotion of animal husbandry in the southern districts and Hainan, the reclamation and colonization of certain sections of the southern districts and the development of delta areas. This part of the plan will take $60,000,000.

The second part of the plan, providing for the expenditure of the remaining $30,000,000 includes:

1. An irrigation and drainage plan of increasing the yield of rice on 2,600,000 mow of land.
2. A reclamation plan for the colonizing and developing of at least 500,000 mow of unused agricultural land in the Hsuwen district.
3. A plan for improving and further developing at least 10,000,000 mow of rice land by extending selected seed, better methods of cultivation and fertilization and by control of insect and fungous diseases.

The plan in its totality, which is reported to have been approved by the Central Government, will, it is hoped, provide for an increase of 2,200,000 piculs of rice and 800,000 piculs of wheat during the first year, with comparative increases during the second year and a production during the third year that will cover the needs of the province for rice, wheat, barley and other food crops.

"POPULAR FRONT" IN SHENSI NOW ONLY AN ECHO

The Sianfu correspondent of the *Shanghai Times*, under date of July 25, stated that the people in Shensi province show a steady trust in Generalissimo Chiang to pull things through. The so-called "Popular Front" of a few months ago seems to have dissolved itself and is only an echo. The fact is, of course, that it never had any real substance, and when the Communist malcontents disappeared. the movement had not even to go underground, it just snuffed out, The Central Government is well established, and has liquidated the December revolt with judgment and caution.

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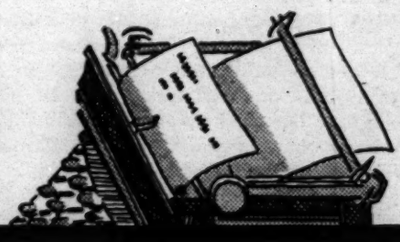

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Japanese Revaluation of Gold Stocks Results in "Profit" of Yen 800,000,000

Revaluation of the gold reserve of the Bank of Japan and the creation of an exchange adjustment fund account are covered by two new bills which the Ministry of Finance is introducing at the special session of the Diet. At present revaluation will take place at the ratio of 290 milligrams of fine gold for Yen 1.00 as against 750 milligrams formerly, which is the equivalent of Yen 12.931 against Yen 5.00 per momme. Revaluation profit thus obtainable is estimated to approximate Yen 800,000,000.

Japanese Government to Subsidize Gold Prospecting and Smelting

The Ministry of Commerce and Industry July 26 invited the representatives of the six leading gold mining companies in Japan, Mitsui, Mitsubishi, Sumitomo, Japan Mining, Furukawa and Fujita, to explain the Government gold mining encouragement plan and to seek the positive co-operation of the gold miners for the Government project.

In this connection, the *Chugai Shoygo* July 27 stated, the Ministry is expected to present to the special Diet session a supplementary budget to be earmarked for the purpose of providing general subsidies for prospecting and subsidies to smaller-scale or medium-sized merchants for erecting gold smelteries.

Japanese Open Offensive on Chahar Province

Nankow, an important city along the Great Wall and on the Peiping-Suiyuan railway, was made the target of air and infantry attacks by the Japanese on Aug. 1 and 2.

Japanese Drop Bombs at Nankow

On Sunday morning, four Japanese airplanes dropped bombs in the neighborhood of Nankow, killing five soldiers.

Japanese Planes Bomb Chinese Troop Trains in Chahar

Japanese planes Aug. 3 "successfully" bombed three Chinese military trains moving southeastward in Chahar, the Garrison headquarters in Tientsin announced. Two of the trains, the communique stated, were carrying troops of the Central Government's Eighty-Fourth Division from Kalgan to Nankow, on the Peiping-Suiyuan Railway.

Annexation of Chahar and Suiyuan by Japan Seen by Chinese Press

Prediction that Japan would seize the present opportunity of her temporary military ascendency in the Peiping-Tientsin area to complete its "annexation" of Chahar and Suiyuan provinces was made editorially by the *Hsin Min P.ao*, one of the leading local vernaculars in Nanking Aug. 1.

The Japanese, the paper said, are aware that strategically, the "annexation" of the two provinces is indispensable for consolidating the position of Jehol and for encircling Outer Mongolia.

Japanese Trade in Canton at Standstill as Compradores Flee

Japanese trade in Canton is at a standstill as compradores employed by Japanese firms have failed to report for work.

Inauguration of a boycott of Nippon-made goods was decided upon at an emergency meeting of the National Salvation and Anti-Humiliation Association.

Japanese Firms in Hankow to Close Down

A number of Japanese firms in Hankow, including the Mitsui Bussan Kaisha and the Mitsubishi Kaisha, are expected to close down.

"Traitor Extermination Corps" to Be Organized in Shanghai

The Shanghai Leather Dealers Association announced this week that a "traitor extermination corps" would be organized by Chinese merchants in Shanghai, the object being to inaugurate an economic boycott against Japan.

Chinese Buy Old U.S. Cargo Boats for Coast Service

Three old American ships are to be delivered in the United States to Chinese shipping firms of Shanghai next week, as follows: ss. *Frieda*, of about 5,500 tons deadweight, bought by the San Peh S. N. Company to be delivered at Boston, Mass.; s.s. *Commercial Pioneer*, of about 4,230 tons deadweight, bought by the Lee Ping S.S. Company, to be delivered at Baltimore; ss. *Lake George*, of about 4,000 tons deadweight, bought by the Wing On S.S. Company, to be delivered at Detroit.

The Chinese shipping firms have sent crews to the United States to bring the vessels out to the Orient. It was intended that these three ships were to bring scrap iron cargoes to Japan and then continue to Shanghai. However, under the present strained conditions it is probable that this idea will be abandoned. The ships are to be used for service on the China Coast. This deal was put through by Wallem & Co., Shanghai ship brokers.

FILIPINOS JOYFUL ON HEARING NEWS THAT PRESIDENT ROOSEVELT WILL VISIT ISLANDS

The above cartoon is reproduced from the "Philippines Herald" of July 7, together with in editorial entitled, "President Roosevelt Is Coming," in which the following pertinent comment was included:

"Precisely because America's commitment to grant Philippine independence stands certain of fulfillment, a visit by the President of the United States at this time would be wholly free from the taint of imperialist motives. Behind the screen of this disinterest, the President would be free to observe and thereafter to propose an outline of peace and cooperation in the Far East. This is too late a day to speak of America's 'manifest destiny.' Candid history has shattered all the glamorous myths surrounding the "white man's burden," among these the myth of America's absolute altruism in the conquest of the Philippines. Nevertheless, the power and idealism of America will yet continue as the great movers in the affairs of the Far East. A design of friendly cooperation between the Philippines and the United States is only necessary in order that the power and idealism of America can have longer range and greater driving force. Because America, by certain indestructible proofs of sympathy and affinity, has established itself in the confidence and respect of at least four strategic countries in this part of the world (China, the Philippines, Australia and New Zealand), it is in a position to weave such a design of friendly cooperation. No man is better fitted to invent that design than the President of the United States."

Filipino Desires on Question of Independence to Be Studied on the Spot

American members of the Joint Commiitee on Philippine Independence, during their forthcoming stay in Manila, will quietly study the desires of the Filipino people themselves regarding independence, a telegram from Washington, July 31 stated.

It was learned from authoritative quarters that some high United States officials thus far are not convinced that the general Philippine public earnestly desires to advance the date of political separation from the United States. They therefore attach special significance to the personal observations of the committee chairman, John van Antwerp MacMurray and others, regarding the mood of the Filipino people.

Philippine Commissioner McNutt May Be Transferred—Run for Senator in Indiana?

The Washington *Daily News* July 27 stated that a secret political arrangement was under way by which Paul V. McNutt, American High Commissioner for the Philippines, would return to the U. S. by January 1 next year and become the Administration candidate to succeed Senator Frederick van Nuys of Indiana. The Secretary of War, Harry H. Woodring, according to the report, would succeed Mr. McNutt at Manila.

Invocation of Neutrality Act Would Hurt China, Says "China Press" Writer

William Lee, writing in the *China Press* July 25 said the invocation of America's Neutrality Act of 1937, which puts American trade with nations at war on a cash and carry basis, would cut like a double-edged sword if and when war breaks out between China and Japan. With one edge it would practically kill, for the duration of the fighting, a large share of American business in China. With the other edge it would maim China in defending herself by cutting off the main source os many of her supplies.

China has counted heavily on America as a source of war supplies. For many months China has stood at the head of the list of importers of airplanes and aviation supplies. These goods would be entirely banned to a belligerent nation if the Neutrality Act comes into force; China also imports cotton, oil, steel, copper and other products that may be banned at the discretion of the President. Last year China bought 4,098,415 gold units worth of raw cotton (one gold unit equals 67 cents, American money), China bought 915,733 gold units of copper ingots and slabs last year.

No Invocation of Neturality Act by U.S. for the Present, Says State Department

The U.S. State Department for the present does not propose to make he Neutrality Act effective by a Presidential proclamation that a state of war exists between China and Japan, Secretary of State Cordell Hull indicated July 29,.

Mr. Hull added that the situation in the Far East continued to be serious, but that the United States did not contemplate any specific action for the time being.

The assertion that President Roosevelt was being "impatiently and unreasonably urged" to announce his stand on neutrality was made by Senator Key Pittman of Nevada. The United States must not be too hasty, Senator Pittman said, for as soon as the Neutrality Act is enforced, the influence of the President in bringing about a cessation of hostilities would be greatly depreciated, and his power to protect American citizens would also be impaired.

The United States policy of withholding operation of the Neutrality Law as regards North China was defended by the Democratic whip, Senator J. Hamilton Lewis from Illinois, in a speech in the Senate July 31.

The Government of the United States is not negotiating with any other government whatsoever for a truce in North China, Secretary of State Cordell Hull declared in Washington July 30 in a denial of reports to the contrary. Consultations are afoot with other governments concerned for the purpose of exchanging information on the situation, but collective action is not contemplated. American policy remains independent.

American Fliers Warned That Participation in Foreign War Is a Federal Offence

Reports that 182 American pilots had enlisted in the Chinese war service and that 304 had sought to enlist in the Los Angeles area prompted the United States District attorney, Pierson Hall, Aug. 2 to warn that participation of American volunteers in a foreign war was a Federal offence.

It was mentioned that Lieut.-Gen. Russel L. Hearn, a former aide of Gen. Chang Tso-lin, former Manchurian war-lord is at present in Los Angeles. It was intimated that his presence in Los Angeles was in connection with activities of the Chinese Air force.

Bogus "Peace Preservation Commissions" Are Organized in Peiping and Tientsin

A so-called Preservation Commission, a reproduction of the "Manchukuo" and East Hopei regimes, which will govern Tientsin and the neighboring areas, was formally inaugurated in Tientsin Aug. 1. Kao Lin-wei, Prime-Minister of the Peking Government, 1923-24, was made head of the new body. Mr. Kao is 69 years old and a member of the Hopei-Chahar Political Council. The Tientsin body, which consists of eleven members, has made the Hopei Mint its headquarters. Its announced purpose is to "restore peace and order in Tientsin and communications with other cities."

The Tientsin Commission includes the following members: Bureau of Police, Liu Yu-shu; Bureau of Finance, Chang Chih-cheng; Bureau of General Affairs, Sun Yun-yu; Bureau of Social Welfare, Shen Chien-weu.

A similar Peace Maintenance Commission was inaugurated in Peiping on the same date, with Gen. Chiang Chao-tsung, 79 years of age, Acting Premier under President Li Yuan-hung, as its Chairman. The Commission consists of representatives of Chinese bankers, businessmen, civic organizations and the Chamber of Commerce.

Gen. Chang Tse-chung a Helpless Figure

Central News said Gen. Chang Tse-chung, Commander of the 38th Division of the 29th Army, who remained in Peiping following the departure of Gen. Sung Cheh-yuan, is today a helpless figure in the ancient capital.

Japan Has Nothing to Do With New Peiping Body, Gaimusho Says

Japan's connection with the organization of a Peace Maintenance Commission or of an autonomous government in Peiping was disclaimed by a spokesman of the Gaimusho in Tokyo July 30. The creation of new administrative machinery in the ancient Chinese Capital, he said, is "entirely China's internal affair."

Pointing out that no official reports on the formation of a Peace Maintenance Commission have been received by the Gaimusho, the spokesman said such a body "may have possibly been formed by Chinese residents of Peiping to meet the immediate necessity of preserving peace and order in the city."

The official recalled that in Peiping and other parts of China similar bodies have "invariably" been organized to meet an emergency, such as would arise when the usual administrative machinery had collapsed.

Tong Shao-yi Suggested as North China Head

Japanese reports this week stated that Chinese financial circles, anxious to bring about a stabilization of the situation by a solution of the North China crisis, have been active in suggesting the appointment of Tong Shao-yi, veteran Chinese government official, as the head of a new regime in North China.

A Purge in the Hopei-Chahar Political Council

Gen. Chang Tzu-chung, acting Chairman of the Hopei-Chahar Political Council, Aug. 3 dismissed Gen. Chin Teh-chun and seven other leading members of the Council, according to press reports received here from Peiping, published by *Domei*. The former Mayor of Tientsin justified his action, the reports added, by the fact that these officials' "continued absence from Peiping hampers the smooth conduct of the Council's business." Gen. Chang, it was further reported, announced his retirement from military service and his intention to devote all his energies to political activities.

Japanese Now in Complete Control of Northern Half of Hopei Province

With the capture of Changhsintien, an important station on the Peiping-Hankow Railway, at 3 p.m. July 30, the northern half of Hopei was brought under Japanese control.

Defeated in a series of engagements in the previous three days, units of the Twenty-Ninth Army were reported to be fleeing southward. Changhsintien and the neighboring area were occupied by Major-Gen. Torashiro Kawabe's detachment,—one of the two large columns which crushed Chinese resistance south of Peiping.

With the occupation of Taku at 1.30 p.m. the same afternoon, the Japanese forces dominated an area stretching from Peiping to the sea and from the Great Wall to the Yungting River.

Units of the East Hopei Peace Preservation Corps which attacked the Japanese Garrison in Tungchow the previous day, were reported to have retreated north, close to the East Hopei Militia Training School.

Previous Japanese message had stated that 50,000 Central Government troops, concentrated at Paoting, had been ordered by General Chiang to march northwards to Changhsintien, 15 miles south of Peiping. These troops were to have joined the Twenty-Ninth Army units which had been pushed west of the Yungting River in the two-day Japanese drive in the Peiping area.

For the second time in four days, Japanese bombers attacked Paoting on July 2, disrupting telegraphic communications between Paoting and the outside world.

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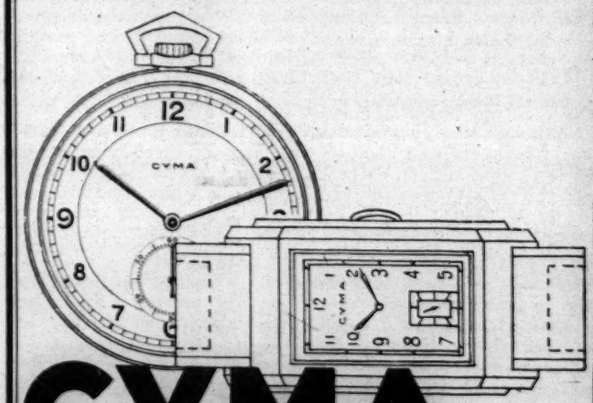

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Will the United States Desert China at Present Critical Moment?

BY C. Y. W. MENG 孟長沐

A CLOSE observation of the American utterances and actions during the past 20 days could not but disappoint considerably the 460,000,000 Chinese as well as many people in the world who have the world peace at heart!

First: In answer to the British formal communication dated July 14, regarding the possibility of "international consultation concerning the Far East," Cordell Hull, Secretary of State, emphasized that the United States foreign policy called for "separate and independent action" on the chief phases of international questions. The United States, he declared, had taken no direct diplomatic action in China and had not yet considered the evacuation of Americans from the Peiping area.

What is meant by "separate and independent action," ask the 460,000,000 Chinese? Is it not tantamount to "no action" which, in turn, only gives a good chance to the aggressor to have a free hand in China?

Secondly, we have read the Washington *demarche* dated July 13 in which the Secretary of State gave a "warning" to the representatives of China and Japan stating that "a conflict in North China would be a blow to world peace and progress."

As the world knows well, Japan is the aggressor, and China is the victim. Japan is wrong and the guilty party, and China is not wrong and is only an innocent party. Then, why should the American Government give any warning to China?

Further, if the present Washington *demarche* is studied and compared with the Note which the American Government delivered to China and Japan on January 7, 1932, there is indeed some material difference, or "marked retreat," in the policy between the Hoover and Roosevelt Administrations! The former American Note reads in part as follows:—

> ". . . the American Government deems it to be its duty to notify both the Government of the Chinese Republic and the Imperial Japanese Government that it can not admit the legality of any situation *de facto* nor does it intend to recognize any treaty or aggreement entered into between those governments, or agents thereof, which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the open-door policy; and that it does not intend to recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27, 1928, to which treaty both China and Japan, as well as the United States, are parties."

Although this Note was delivered to both China and Japan, it could easily be seen that it was intended to hit Japan—the aggressor. But the present Washington *demarche* says nothing about the preservation of the sovereignty, independence and integrity of China, the Kellogg-Briand Pact and the assertion of the principle of non-recognition of the fruits of unlawful aggression, etc. To us, such warning is more than useless.

Thirdly, the Chinese hate the so called "waiting" or "watching" policy of some principal powers. But the present policy of the Roosevelt Administration is essentially a policy of watching. It was reported that President Roosevelt was anxious over the Far East situation. He cancelled his usual week-end trip and stayed in the White House because of the grave Far Eastern situation. Three of the President's diplomatic advisers were summoned to a conference on the international position at the White House. But the next report was most disappointing, because "it is stated that President Roosevelt is not considering specific action but is just 'watching'."

London Deserted Washington in 1932

But as the former Secretary of State, Col. Henry Stimson tells us, before the said Note was presented to China and Japan, "in order to promote the possibility, I (Col. Stimson) communicated what we were going to do confidentially in advance to the two nations (Great Britain and France) which throughout the autumn had been the leaders in the conduct of the negotiations by the League. On the morning of January 5, I saw the British Ambassador . . . I told him . . . . I read to the Ambassador a draft of the Note . . . I reminded him that we had done somewhat the same thing in 1915 at the time of the Twenty-One Demands, but I pointed out to him that our action now would be assisted and made more effective if the countries like Great Britain and France who were in a similar position to us took a similar step . . . I asked him to communicate our intention to his government and said that I intended to bring the same matter to the attention of the French Ambassador . . . . I told them both that I intended to act promptly within a day or two . . . ."

But the former Secretary expressed his great disappointment when he said "in the light of these anticipations, we were disappointed by what actually occurred." It is because the contents of the communique which the British Government made public on January 11 constituted "a rebuff to the United States." "It was entirely silent as to the preservation of the sovereignty, independence and integrity of China, the Kellogg-Briand Pact and the assertion of the principle of the non-recognition of the fruits of unlawful aggression . . . . It thus ignored entirely the questions of world peace and China's integrity which we had deemed the most important feature not only of our Note but of the previous three month negotiattons in which we had been supporting the efforts of the League of Nations and the British Government . . . The communique dealt solely with the single problem of continuous trade relations with Manchuria . . . ." Throughout the review of the whole affair, the former Secretary puts the blame on the British Government for the latter's failure to cooperate with the United States to achieve the Anglo-American Co-operation to deal wtth the Japanese aggression in the Far East.

That is to say: In 1932, the United States was most anxious to seek British support and co-operation to thwart Japanese aggression at the outset. But due to the British policy of "friendly to both" (China and Japan), all the American efforts for peace were nullified. That was the time when "London deserted Washington." As a result, the aggressor had a "free hand" to go on with its aggression in China, without the slightest fear of any international action and interference.

Will Washington Desert London in 1937?

But, unfortunately, to-day, we are afraid that it is not London which deserts Washington, but rather, Washington deserts London!

According to a dispatch from Tokyo dated July 21, the "offer of mediation" was made by the British Foreign Secretary Mr. Eden, in a recent interview in London with the Japanese Ambassador, Yoshida. The British further proposed to abrogate Article 9 of the Boxer Protocal which permits the foreign powers to station their troops along Peiping-Tientsin areas, although this proposal is not practical at the present moment. All these are indicative of the British efforts, lively interest and great concern in the present Sino-Japanese crisis.

But, so far, the response from the American Government is rather disappointing. In reply to the British suggestion for "international consultation on the Far East," Washington replied that they would like to take some "separate and independent action." In reply to the Chinese Memorandum to the powers on "The Status and the Circumstances of the Present Threat of Japan in North China," dated July 17, Mr. Hull stated that ". . . . This country constantly and consistently advocates the maintenance of peace . . . . It advocates abstention from force in pursuit of its policy, abstention from interference in the internal affairs of other nations."

Secondly, when Great Britain was offering mediation during the renewal of hostilities in north China, the State Department in Washington announced that "the United States would remain a strictly neutral looker-on in the North China clash." A *Havas* report from Washington dated July 17 further intimated that the impression gleaned in semi-official quarters is that "Secretary Hull will not follow the example of his predecessor, Col. Stimson, and intervene in the quarrel, but will adhere to a purely judicial stand."

It added that this is because "the lesson learned in the strife of 1931 convinced America that nothing was to be gained by vigorous protest and the creation of tension between the United States and China or Japan. . . ." The earlier report from the same source (*Havas*) dated July 14 further mentioned "the application by the United States of the recently passed 'Neutrality Act' if the present incident should become a general war." In other words, the *fatal* Neutrality Act also swings into action in Far Eastern affairs!

We characterize the American Neutrality Act as *fatal* not without reason. To be brief, it seems to the Chinese that the Act is applicable only to American-European affairs, but it could not be applied to American-Pacific affairs. Secondly, the Act does no harm to the aggressor, but does great harm to the victims which have to depend on certain powers for war materials and other assistance in their struggle with the aggressors to preserve the world peace, and to vindicate international justice.

So once the Neutrality Act is applied to American-Pacific affairs, it spells a death-knell to Anglo-American cooperation in dealing with the Far Eastern situatian, and it marks a complete desertion by the United States of China at a very critical moment!

Effectiveness of Anglo-American Co-operation

As indicated above, when the United States was unable to secure British cooperation, the American efforts for peace failed. Similarly, if the British efforts fail to receive quick and wholehearted support from the United States, their efforts could hardly be of any use. So the Gaimusho in Tokyo was courageous enough to "formally convey to the British Embassy the Japanese 'opposition' to foreign interference in the current Sino-Japanese negotiations on the settlement of the North China incident. The notification was made by Kennosuke Horinouchi, Vice-Minister of Foreign Affairs, in an interview with J. L. Dodds, British Charge d'Affaires, in Tokyo on July 21.

As we have pointed out over and over again the Island Empire would not care if the United States *or* Great Britain acts alone, but Tokyo would be quite dismayed if these two countries should act in cooperation.

By invoking Anglo-American cooperation to deal with the situation in the Far East, it would not mean that China is relying upon outside assistance. No. China realizes well that nations, like individuals, have to depend on their own efforts. So this time China fights with the aggressor "to down Japanese Imperialism!" irrespective of any outside assistance. Nor is it a case of "bidding one power against another." The war which China is fighting is a different kind of war. It is a war between the "preservation of the world peace" on one side, and "destruction of the world peace" on the other. Therefore, in war of this kind, it is only natural and humanitarian that those who desire to see the "preservation of the world peace" and to make the world safe from "aggression" should all rise up and assist China to fight.

Americans should not "watch" but "act" *now*! If they fail to do so, they are merely doing incalculable harm to Americans themselves, namely: (1) Direct material damage to American trade; (2) Immense blow to the cause of peace; and (3) incalculable harm to American prestige in China!

Nanking, July 30, 1937.

Tokyo "Asahi" Airplane Fund Exceeds Yen 1,000,000

Contributions to the *Asahi* newspaper fund for the construction of military aircraft, started on July 20, exceeded Yen 1,000,000 at noon July 24.

Seattle Chinese Donate $27,575 Toward Chiang Plane Fund

Eight months after the date of the event, overseas Chinese in Seattle, Washington, July 21 remitted to Nanking a sum of $27,575 toward the airplane purchase fund in honor of Generalissimo Chiang Kai-shek's 50th birthday.

China National Aviation Workshop to Be Removed to Hankow

To facilitate repairs, the China National Aviation Corporation has secured the permission of the Ministry of Communicatiens to remove its workshop to Hankow

Chungking-Kweiyang Air Service Resumed

The Chungking-Kweiyang air service of the Chinese National Aviation Corporation, which was suspended some time ago, was resumed July 20 when a Ford plane arrived in Kweiyang from Chungking with a heavy load of mail.

Harold Gatty Marries Bride from the Netherlands

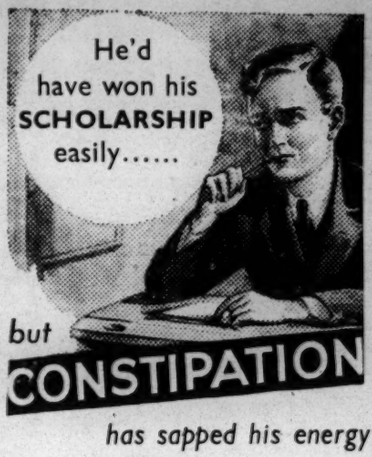
Harold Gatty, the famous American round-the-world flier, was married in New York July 20 to Miss Fenna Bolderhey, of Amsterdam. Gatty, who was born in Australia and emigrated to the United States in 1927, first won international fame after his flight round the world in 1931 with Wiley Post. In 1930 he and Harold Bromley made an attempt to fly the Pacific, and it was his skill and courage in this flight, when they were forced to turn back with engine trouble after completing 1,200 miles, that brought him to the notice of Wiley Post. As a result he was taken as co-pilot in the epoch-making flight. He was later appointed aerial navigation engineer in the United States Army and became one of its air instructors.

Large U.S. Government Order Placed With Boeing Aircraft Co.

A contract, amounting to $3,708,000 for ten bombers known as the "Flying Fortress" type, and also for three additional bombers of the same type and spare parts, was awarded by the United States Department of War to the Boeing Aircraft Company July 26. The "Flying Fortress" is equipped with four Wright Cyclone engines, which gives the machine a speed of more than 225 miles per hour. The bomber carries five machine-guns and a crew of nine.

Feng Yu-hsiang Says China Will Not Tolerate Foreign Aggression

Gen. Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, in an interview at Kuling July 22, said every Chinese citizen should throw in every ounce of his or her energy in assisting China's survival in the present national predicament under the leadership of the Central Government. "China," he asserted, "is a peace-loving nation, but she will not stand for alien aggression. The whole nation will safeguard her indepdenence and liberty at any cost."



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In the United States Consular Court at Shanghai

O. E. LINQUIST, Plaintiff,
vs.
MRS. O. E. LINQUIST, and COMMERCIAL EXPRESS & STORAGE COMPANY FEDERAL INC., U.S.A. ET AL Defendant.

Cause No. 2002

ORDER

Filed at Shanghai, China, This 4th day of August, 1937.

WILLIAM T. COLLINS, Clerk.

The object of this suit is to replevin property in the possession of the above named defendants.

WHEREAS, plaintiff herein, has on the 23rd day of July, 1937, filed a Moton for the substitution of publication for personal service upon the defendant, Mrs. O. E. Linquist, for the reason that the said defendant is a non-resident of this jurisdiction; and

WHEREAS, plaintiff has, by his attorney, filed an Affidavit stating that the said defendant has not resided in China since December 2, 1936, and that defendant's last known address was Room 301, 24 Central Road, Shanghai,

NOW THEREFORE, it is this 4th day of August, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 7th day of August, 1937, the day of first publication of this Order; otherwise the case will be proceeded with as in case of default.

N. E. LURTON
United States Commissioner,
Ex-Officio Judge of the Consular Court for the District of Shanghai

Shanghai Municipal Council Opium Committee Adjourns for the Summer

The Committee of the Shanghai Municipal Council, consisting of Messrs. Yulin Hsi, R. G. MacDonald and W. H. Plant, appointed to consider the attitude of the Council towards certain proposals made by the City Government regarding the use of opium in the Settlement, has adjourned until after the summer recess. In the meantime, the Sub-Committee—of which Mr. MacDonald has been appointed Chairman—will call for further information from the Police Force regarding prosecutions for opium smoking in the Settlement.

Geneva Bureau Advocates Use of Airplanes to Combat Opium

The use of airplanes in combatting the Opium evil in China is advocated by a bulletin issued by the Anti-Opium Information Bureau in Geneva, which contains a long article on the "Drug Evil in China."

The actual manner in which airplanes are used in the suppression of the growing of the poppy, as used successfully in Egypt, is described in the Annual Report for the year 1936, issued by the Central Narcotics Intelligence Bureau of the Egyptian Government.

When the growing of poppy is declared illegal and the production limited, contraband poppy makes its appearance because of the high prices offered. Egypt found that farmers were growing the poppy in concealed patches in the center of taller crops, masked from the ground, but easily identified from the air at a height of 400 to 600 feet.

In Egypt the cooperation of the Army Air Force was obtained, the hidden fields located and photographed, and the illicit poppy later rooted out.

The use of the airplane for the detection of the illicit poppy was begun in February of 1936, and has proved so successful that plans are underway for the organization of systematic air patrols to cover the whole of the cultivated area of Upper Egypt.

Narcotic Evil in North China Described by Recent Visitor

The narcotic evil in North China and the horrible suffering which it causes among those poor unfortunates who fall victim to the habit has been described by a Chinese gentleman, long a resident of North China, who recently arrived in Hongkong:

"The opium evil in North China has a history of over 100 years," he said, "but never has it been so serious and gloomy as the situation is at present. Although the Nanking Government is taking drastic measures to suppress the evil, the places of which I am speaking are beyond their control, as another country is involved."

Tangshan, an industrial town in East Hopei, Tientsin and Harbin were the cities in which he noted particularly deplorable conditions. Most of the Chinese who frequented the infamous "yang hong" (literally, foreign firm) are only semi-literate, and therefore not likely to realize the dangers of the habit they are acquiring. At first they are given the drug free, and they are attracted by the beautiful waitresses and gambling. But as soon as the habit begins to exercise its compulsion the price starts to soar, and many of the addicts find themselves going without food in order to save enough money to pay for the drug.

Conditions in Tangshan and Tientsin were very much the same, he declared, although the opium evil in the latter city has been dramatized by the finding of so many corpses this spring floating on the Hai Ho. In Harbin the conditions are worse, for he estimates that 30 per cent of the Chinese and Russian population are opium addicts. A certain amount of pressure is applied to use the dope, he believes, because the opium addicts are better protected by the police, and thus have less chance of being suspected as bandits or anti-Japanese elements.

U. S. Government Uses Effective Measures Against Narcotic Smuggling

Recent reports from America indicate very well-organized concentrated action on the part of the United States Government against narcotic smuggling. The United States Bureau of Customs, working in co-operation with the United States Coast Guard Service, are now taking special precautions to prevent narcotics from being landed from Dollar Steamship Line and American Mail Line vessels arriving from the Orient.

Opium Smugglers Receive Stiff Sentences in the U.S.

Stiff sentences were recently meted out to several individuals found guilty of attempting to smuggle raw opium into the United States through the port of New York. Of the three persons found guilty, one received a sentence of 16 years and fines totaling U. S. $2,110. The other two were fined U. S. $2,000 each and given a sentence of 12 years in jail. A fourth person pleaded guilty and was placed on probation for three years.

In this case an attempt was made on the part of the Chief Boatswain of the United States Line steamship, *President Harding*, to smuggle raw opium ashore at New York. For this purpose he used the second carpenter aboard the ship to get the goods ashore, but customs officers checked the actions of several of the people involved and stopped the smuggling. Those receiving the sentences were the Chief Boatswain and several accomplices ashore who were engaged in a narcotics traffic between European ports and the United States.

Former U. S. Drug Official Sentenced for Violation of Opium Laws

Chris Hansen, formerly United States narcotic agent for the states of California and Nevada, was sentenced at Carson City, Nev., Aug. 2 to eleven years imprisonment on twelve charges of violating the narcotic laws. He was accused of conspiracy to violate the narcotic regulations which he was sworn to enforce, transportation and sale of drugs, and failure to perform his official duties. Some of the sentences were made concurrent, so his actual term was brought to about five years.

Movements and Appointments in Diplomatic and Official Circles

The resignation of Lieut.-General Fei Chien-tung as Director of the Szechuan Provincial Peace Preservation Bureau has been accepted by the Szechuan Provincial Government.

Wang Ching-wei, Chairman of the Central Political Committee, returned to Nanking July 31 from Kuling accompanied by Madame Wang and Tseng Chung-ming, Assistant Secretary-General of the C.P.C.

Tai Chi-tao, President of the Examination Yuan, and Gen. Chang Chun, Secretary-General of the Central Political Council, returned to Nanking from Kuling Aug. 1.

Admiral Chen Shao-kuan, Minister of the Navy, returned to Nanking, July 28 from Europe. He was welcomed upon his arrival by Vice-Admirals Chen Chi-liang and Chen Hsun-yung, respectively Political and Administrative Vice-Ministers.

Three high provincial pacification commissioners arrived in Nanking Aug. 3 to interview Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission. They were Gen. Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, Gen. Yu Han-mou, Pacification Commissioner of Kwangtung and Commander-in-Chief of the Fourth Route Army, and Gen. Ho Chien, Chairman of Hunan and Commander-in-Chief of the First Route Army.

Sir Hughe Montgomery-Knatchull Hugessen, the British Ambassador, called on Hsu Mo, Political Vice-Minister of Foreign Affairs, in Nanking July 30.

Paul Naggiar, the French Ambassador, called on Hsu Mo, Political Vice-Minister of Foreign Affairs, at 11.30 a.m. July 31 to inquire about the latest developments in North China.

Marcel Pierre Fernand Chaloin, French Vice-Consul in Shanghai, has been bestowed the decoration of Chevalier of the Legion of Honor, according to official reports received by the French Consulate-General here last week. The honor will be conferred upon M. Chaloin at a ceremony by M. Baudez, French Consul-General, on behalf of the French Government, in the near future.

Baron Beck-Friis, the Swedish Charge d'Affaires, who has been promoted to be Minister to China, called on Dr. T. T. Li, Director of the Intelligence and Publicity Department of the Ministry of Foreign Affairs, in Nanking Aug. 2.

S. Hidaka, Counsellor of the Japanese Embassy, called on Chen Chieh, Administrative Vice-Minister of Foreign Affairs, July 28,

Commander T. Honda, Japanese Naval Attache, called on General Tsao Hao-sen, Political Vice-Minister of War, and Admiral Chen Shao-kuan, Minister of the Navy, in Nanking July 30.

S. Kawagoe, Japanese Ambassador to China, departed from Tientsin Aug. 3 for Dairen by plane en route to Shanghai. Mr. Kawagoe was expected in Nanking end of this week. The Sino-Japanese incident in North China, Mr. Kawagoe told *Domei*, is gradually becoming "of a stature affecting the general relations between Japan and China." He expressed the opinion that the Central Government, "being rooted in Capitalism," could scarcely admit Communism into its recincts.

Gen. Pai Chung-hsi Flies to Nanking in Gen. Chiang's Plane

General Pai Chung-hsi, Deputy Pacification Commissioner for Kwangsi, arrived in Nanking Aug. 4 on Gen. Chiang's plane, which had been sent to Kweilin. The meeting between Generals Chiang and Pai is considered to be of deep significance, for they had not met since the Nanking-Kwangsi split, and had been recognized as bitter personal enemies. General Pai is regarded as a great military strategist, and has always supported resistance against the Japanese. His meeting with the Generalissimo is interpreted to mean a united front against the Japanese.

Nanking Daily Advocates National Food Control Policy

To fundamentally solve China's food problem, the *Central Daily News* advocates the immediate adoption of a food control policy by the Government. For, in the opinion of the journal, the demand and supply of foodstuffs in China have never been properly readjusted. While one place may be overstocked with grains another locality may be in the throes of a famine. On top of that, food manipulators cash in during political crises by spreading all kinds of wild rumors.

Wu Ting-chang, Minister of Industries, recently outlined the following measures to cope with the food problem in China:

1.—Authorities of leading metropolises should acquaint the public with the actual supply and demand of foodstuffs in their respective localities. They should suppress all unfounded rumors.

2.—There is yet no necessity to impose restrictions on the distribution and marketing of foodstuffs.

3.—Municipal governments of leading cities should establish agencies to take charge of the distribution and marketing of foodstuffs. Local foodstuff merchants may seek aid from these agencies, while such agencies may in turn solicit assistance from the Farm Credit Bureau.

Shanghai Fears Coal Shortage as Result of North China Situation

Signs that a coal shortage is imminent in central China increased this week as the Coal Mechant's Guild and various civic organizations in Shanghai have sent petitions to the National authorities asking that relief measures in the crisis be devised.

Since the situation in North China, an area which produces a large percentage of the coal used in China, has had a considerable effect on the problem, the Ministary of Industry is understood to have taken a hand and decided upon measures whereby sufficient rolling stock may be furnished to transport coal from Shantung and other coal sources to the various markets in China.

The Chunghsing Coal Mining Company in Shantung stopped its exports abroad as soon as the Lukouchiao incident occurred, and the Kailan Mining Company has been instructed to increase its shipments to Shanghai to meet the urgent needs.

Meanwhile the public is being asked to cooperate in the crisis by economizing on the use of coal and by refraining from hoarding, in order to avoid a coal panic.

A slight amelioration of the situation in Shanghai has occurred during the last week as industrialists have been able to buy a considerable amount of coal to bolster up their stocks on hand, and the Kailan Mining Administration has increased its shipments. Furthermore, some plants are in the process of installing oil burners in a portion of their boilers.

Japanese Plane Attacks Chinese Barracks at Tehchow

Carrying out a sudden aerial attack in southern Hopei a Japanese plane machine-gunned Chinese barracks at the Old Arsenal and the vicinity of Tenchow on the Shantung-Hopei border Aug. 1, resulting in the injury of three persons. The machine later left with another Nipponese plane in a northerly direction.

Japanese Airplane Crashes Near Tientsin, Pilot Burned to Death

Making a forced landing as its motor caught fire, one Japanese army plane was destroyed in flames and two pilots were burned to death at Chentangchuang near Tientsin at 6 a.m. July 28. The ill-fated aricraft was found carrying 12 bombs and one machine gun. A terrific explosion occurred when the machine crashed.

Thirteen Wounded as Eurasia Plane Hits House in Kunming

All thirteen passengers and pilot were wounded and the machine completely wrecked when the Eurasia Aviation Corporation's Junkers plane hit a house two minutes after it took off from the airfield at Kunming at 12:20 p.m. Aug. 1 for Chengtu in Szechuan. Among the passengers were four brigade commanders, one party affairs director and several officials going to Kuling for summer training, and three foreigners.

Typhoon Strikes Shanghai—Many Persons Injured, One Killed

A strong typhoon struck the China coast during the day and night of Aug. 3, as a result of which ship schedules were greatly upset. In Shanghai 25 persons were injured, one killed and extensive property damage caused. Rows of trees were blown down in various parts of the city, whole brick walls collapsed under the force of the gale, while even human beings were swept off their feet and carried across streets. Many of the streets were flooded. A fire which broke out during the night in two adjoining warehouses owned by the Commercial Bank of China and the Ting Kang Native Bank on North Soochow Road near the corner of North Chekiang Road, practically destroyed them. Owing to the gale which was blowing the blaze spread rapidly and the efforts of firemen were to a large extent rendered nugatory.

In the United States Court for China

IN BANKRUPTCY.

IN RE BANKRUPTCY OF EDOUARDO FRANCISCO PALMA, A BANKRUPT.	Cause No. 4118 S.P. No. 1997 PETITION FOR DISCHARGE Filed at Shanghai China. the 20th day of July, 1937. William T. Collins, Clerk.

BANKRUPT'S PETITION FOR DISCHARGE.

To the Honorable Milton J. Helmick, Judge of the United States Court for China:

Edouardo Francisco Palma, of Shanghai, China, respectfully represents that on the 17th day of September, last past, he was duly adjuged bankrupt under the acts of Congress relating to bankruptcy, that he has fully surrendered all his property and rights of property, and has fully complied with all the requirements of said acts and of the orders of the Court touching his bankruptcy.

Wherefore he prays that he may be decreed by the Court to have a full discharge from all debts provable against his estate under said bankruptcy acts, except such debts as are excepted by law from such discharge.

Dated this 20th day of July, 1937.

P. F. FAISON
Attorney for Bankrupt.

ORDER OF NOTICE THEREON.

Shanghai, China, ss:

On this 20th day of July, 1937, on reading the foregoing petition, it is—

Ordered by the Court, that a hearing be had upon the same on the 15th day of September, 1937, before said Court, at Shanghai, China, at 2.15 o'clock in the afternoon; and that notice thereof be published in the China Weekly Review a newspaper printed in said city of Shanghai, China, and that all known creditors and other persons in interest may appear at the said time and place and show cause, if any they have, why the prayer of the said petitioner should not be granted.

And it is further ordered by the Court, that the clerk shall send by mail to all known creditors copies of said petition and this order, addressed to them at their places of residence as stated.

Witness the Honorable Milton J. Helmick, Judge of the said Court, and the seal thereof, at Shanghai, China, on the 20th day of July, 1937.

WILLIAM T. COLLINS, Clerk.

Japanese Diet to Pass Supplementary Budget of Yen 408,300,000 for Aggressive Warfare in China

"THINGS have come to such a pass in North China that a fundamental solution of the issue possibly must be sought through armed force," Gen. Gen Sugiyama, War Minister, told the Lower House in Tokyo July 31. Up to now, he added, the Japanese troops in North China "have been endeavoring to effect a peaceful settlement on the spot with patience and self-restraint."

The supplementary budgetary bill, calling for the appropriation of Yen 96,700,000 for expenditures connected with the North China incident, and approved by the Diet the previous day, "was compiled under a policy of settlement on the spot and non-aggravation," Gen. Sugiyama declared.

In view of the recent "sudden" change in the North China situation, he added, "another supplementary budgetary bill in the sum of Yen 300,000,000 (later increased to Yen 408,300,000) will be introduced in the Diet to cover the necessary expenditures."

Foreign Minister Koki Hirota declared that Japan's policy of "settlement on the spot and non-aggravation cannot possibly work smoothly unless China reconsiders her stand.

"In such an eventuality," he added, "the Government is prepared to pursue a different policy."

Parties Want Japanese Government to Take "Vigorous Attitude"

Introduction of a joint resolution urging the Government to take a "vigorous attitude to secure a fundamental solution of the China problem for the sake of lasting peace in the Far East," was discussed this week by the Minseito and Seiyukai parties. The action of the two parties, their leaders told *Domei*, is in line with their already announced determination to support the Government in the present crisis.

The Government's supplementary budgetary appropriation of Yen 96,700,000 for expenditures connected with the North China incident was passed by the House of Representatives in record time.

Meanwhile, the Cabinet Aug. 2 decided to issue Yen 100,000,000 worth of national bonds in small denominations, the proceeds to be used for the North China incident. The bonds will probably have a face value of Yen 25.

Up to End of This Week Japan's Chinese Adventure Will Have Cost Half Billion Yen

The cost of the North China incident to Japan's taxpayers will have exceeded Yen 500,000,000 before the end of this week. Treasury officials stated in Tokyo, Aug. 3. In addition to Yen 96,700,000 appropriated by the Diet last week for expenditures connected with the incident, the Government introduced an emergency bill for increased taxation, whose proceeds, estimated at Yen 102,000,000, will be put to the same end.

Arranged to close its special session on August 7, the Diet may decide to extend its activities for a day or two to pass the Government's bills including the special appropriation of Yen 408,300,000. A measure introduced Aug. 3 provides for taxation raises on corporate and earned income and also on capital. The corporate income tax will be raised by ten per cent; the tax on earned income by 7.5 per cent; the capital levy by five per cent. A new excise tax, corresponding to a twenty per cent ad valorem tax, will also be clamped on musical instruments, photographic cameras, cinematographic equipment, gramophones and their accessories, and jewelry.

Japanese Peers Pass Military Secrets Maintenance Law

The Japanese House of Peers July 30 passed five bills, including the strongly controversial measure tightening the provisions of the Military Secrets Maintenance Law. The bill was killed in two previous Diets.

Sugiyama Describes Tungchow Massacre in House of Peers

Gen. Sugiyama, War Minister, Aug. 3, "with profound sorrow" informed the House of Peers of the massacre of more than 200 Japanese subjects in Tungchow by mutinous units of the East Hopei Peace Preservation Corps.

Gaimûsho Abandons all Hope of "Peaceful Settlement" with China

The Gaimusho issued a statement in Tokyo last week declaring "with regret" that "on account of the increasingly hostile attitude of the Chinese .Twenty-Ninth Army, the Japanese forces in North China had been finally forced to abandon all hope for a peaceful settlement of the incident." "Conditions in the Peiping-Tientsin area," the statement continued, "had become so menacing to the lives and property of Japanese nationals, as well as to the comparatively small Japanese force garrisoned in the city, that it had become necessary to engage in operations with a view to impressing the Chinese soldiers with the urgent necessity of keeping pledges and agreements which they have themselves made, but failed to observe."

Tension Grips Japan as Result of North China Situation

Tension unparalleled since the eventful days of the Manchurian incident held Tokyo in its grip July 28, as a steady stream of reports announced the commencement of major hostilities in North China. The situation near Peiping, Gen. Gen Sugiyama, War Minister, told the Diet is being "fast aggravated by bad faith and arrogance exhibited by the Chinese troops." Immediately preceding his address in the House of Representatives, Gen. Sugiyama reported on the developments in North China to Emperor Hirohito.

Tokyo Military Appointments Include 3400 Transfers, 2500 Promotions

A wholesale change of military officer personnel was announced by the Tokyo War Office Aug. 2. The change affects 11 major-generals, including Major-General Ushiroku, Director of Military Administration, who will be promoted to Lieutenant-General.

Prince Lieutenant-General Narushiko Higashikuni, a member of the War Council, has been appointed Commandant of the Corps, Lieutenant-General Shunroku Hata becomes a member of the War Council, and Lieutenant-General Moto Furusho Commander of the Formosan Army.

Lieut.-Gen. Kotaro Nakamura, member of the War Council, and formerly Minister of War, was appointed Commandant of the Tokyo Garrison and Commander of the defence force of the Eastern District; Lieut.-General Tomo Kodama becomes Commander of the defence force in the Western District, while Lieut.-General Kasego Nakajima, Commander of the Gendarmerie, is made Commander of the 16th Division and of the central defence force.

Major-General Keisuke Fujiya succeeds him as Commander of the Gendermarie.

Alleged Spy for Nanking Arrested in Japan

Ryusuke Miyazaki, proletarian politician, and husband of the noted poetess Byakuren, was arrested by gendarmerie in Japan Aug. 1 on a charge of acting as a spy for the Nanking Government. He is the son of Toten Miyazaki, who helped the late Sun Yat-sen in carrying out the Chinese revolution.

Japan to Reject Foreign "Interference" in North China Dispute

The Japanese Government will reject any foreign "interference" in the North China dispute should it be attempted, Foreign Minister Horota told the House of Representatives in Tokyo July 29. "I trust", he added, "that no third party will attempt to interfere in the controversy".

Commercial Houses in China Advised to Wind Up Business

Japanese commercial houses in China have been advised by the Japanese authorities to wind up business. Among those which have done so is the Nippon Kishin Kaisha which has already suspended its Yangtsze service.

It is learned that 1,100 Japanese residents have been evacuated from Tsinan and 1,300 from Tsingtao, while large numbers are sailing for home from Shanghai.

Hu Shih Asks Monroe to Condemn Japanese Destruction of Chinese Schools

With more than 1,000 representatives of 48 nations in attendance, the Seventh World Education Conference opened in Tokyo Aug. 2 at the Auditorium of the Tokyo Imperial University. Dr. Paul Monroe, Chairman of the Federation of World Education Associations, addressing the gathering, declared: "All material designed to inculcate antagonism or animosity against foreigners must be expunged from all the school textbooks in all countries of the world."

Judgment and condemnation of the Japanese Army's barbarous destruction of Chinese institutions of learning in Tientsin was asked by Dr. Hu Shih, Dean of the College of Arts and Letters of the National Peking University, in a telegram to Dr. Paul Monroe, well-known American educator and president of the World Federation of Educational Associations.

The wire, which was despatched on July 21 in care of the Chinese Embassy in Tokyo, contained a detailed report on the wilful bombing and destruction of Nankai University, the Nankai Middle School, the Hopei Provincial Women's Normal College and the Provincial Engineering College by Japanese bombers and land forces.

Dr. Monroe was requested to read the telegram to the conference delegates, who were appealed to to give judgment and condemnation to the Japanese Army's ruthless activities.

Tokyo Press Says Nanking Ready to Sever Relations with Japan

A declaration of severance of diplomatic relations with Japan, to be promulgated following its approval by the Central Political Council, has been drafted by the Chinese Legislative Yuan, according to Nanking reports appearing in the Tokyo papers this week. Gen. Chiang Kai-shek, other messages said, is convoking in emergency national defence conference on Aug. 6, to be attended by military leaders, to decide on the disposition of troops in case of need. A national defence program, which will be considered by the conferees, has already been approved by the Military Affairs Commission, the reports added.

Messages from Nanking, Peiping and Tsinan reported a steady enveloping of the Peiping-Tientsin area by Chinese troops in Chahar, Southern Hopei, Shansi and Shantung. The main body of the Nanking Government's troops, estimated at 20 divisions, was reported to have been concentrated along the Peiping-Hankow Railway. The vanguard of this force was said to have been massed at Paotingfu, where strong defence works were reported to be under construction.

28,000 Japanese Residents Evacuate China

The total number of Japanese residents who have left China for Japan following the outbreak of the North China trouble is 28,000 men and women, the *Lib Pao* of July 31 stated.

On July 30, 631 Japanese residents left Shanghai aboard the *Shanghai Maru* on their return to Japan. Most of them had come to Shanghai from Hankow, Kiukiang and other river ports along the Yangtsze.

Twenty-three Japanese women and children arrived in Shanghai from Hangchow July 30.

Japanese Consulate in Chungking Taken Over by Chinese

The Japanese Consulate in Chungking was taken over by the local municipal authorities July 30 upon the request of Consul Kasuya Renji, whose presence there was no longer required, all the Japanese residents had left for Shanghai.

Japanese Women and Children Flee from Hankow

Eighty Japanese woman and children left Hankow July 30 for Shanghai. Simultaneously, 200 Chinese residents in the Japanese Concession in the Yangtsze port, moved out to other parts of the city.

Thousands of Chinese in Japan Return Home

Over 3,000 Chinese citizens in Japan have returned to China since the outbreak of hostilities in North China. Still thousands more are making plans to return in the near future.

275 Japanese Casualties in Two Days' Time

Japanese military casualties in North China on July 28 and 29 were officially put at 78 dead and 197 wounded. Of the killed men, 11 lost their lives at Shahochen, 40 at Chinghochen, 18 at Nanyuan and Lukouchiao, and nine in Tientsin. Of the wounded, 21 received their injuries at Shanochen, 114 at Chinghochen, 40 at Nanyuan and Lukouchiao, and 22 in Tientsin. The Chinese casualties, War Ministry officials in Tokyo said, were "scores of times heavier."

Japanese Report 155 Casulties July 7 to July 27

A communique issued by the Tokyo War Office July 28 stated that 42 Japanese troops were killed and 113 wounded in North China between July 7 and July 27. The casualties consisted of 17 officers, 23 N.C.O.'s and 115 men.

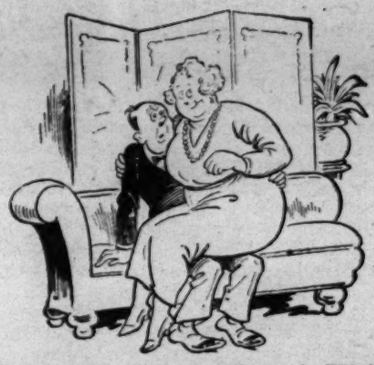
The casualties in the battles at Hsingkung, Shahochen and Chinghochen were unofficially estimated at 309 Japanese and 1,200 Chinese soldiers killed and wounded, according to a message received in Tokyo, July 30.

Manchurian Development Company Agreement Signed in Hsinking

Gen. Kenkichi Uyeda, Japanese Ambassador to Manchukuo and Commander-in-Chief of the Kwantung Army, and Premier Gen. Chang Ching-hui, Aug. 2 signed an agreement in Hsinking for the creation of the Manchuria Development Company. The joint concern, capitalized at Yen 50,000,000, will extend facilities to the 5,000,000 Japanese immigrants who will settle in the new "Empire" within the next 20 years.

Wife of Pu Yi's Brother Expects "Blessed Event"

The second generation of the reigning house of Manchukuo will have an addition soon, according the newspaper, *Hochi*, which asserts that the wife of Pu Yi's brother is expecting a blessed event. Prince Pu married the daughter of a Japanese peer, the paper recalls. This was described as one of the fruits of Japanese-Manchukuo friendship.



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Can Japan Survive?

This pamphlet of a dozen pages embraces a series of articles dealing with Japan's present problems, which were written by Nugent Rugge and published in *The Review* in March and April of this year.

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Wang Ching-wei Urges Preparation for Supreme Sacrifice

China has reached the most critical period of her history, declared Wang Ching-wei, Chairman of the Central Political Council, in a speech on the present Sino-Japanese crisis in Nanking July 30.

While Generalissimo Chiang Kai-shek has explained to the Chinese people the "limit of endurance" on July 17, Mr. Wang made an eloquent dissertation on the meaning of the "critical period" and urged the nation to be prepared for the "supreme sacrifice."

"Japan's invasion of China has no end," began Mr. Wang. "Since September 18, 1931 Japan has been strangulating China step by step. China, on the other hand, retreated accordingly."

Reviewing China's domestic and foreign policy since the outbreak of the Manchurian incident, Mr. Wang said, as China is unable to repulse Japanese invasion she has to devise some means to slow down the Japanese onslaught and to give herself a chance to prepare herself so as to enhance her strength of resistance.

He told of China's disappointment in the League of Nations. When the Manchuria crisis started China appealed to Geneva hoping that the League would apply moral, economic and military sanctions to stop Japan's aggression.

But as a matter of fact all the League did was to morally censure Japan. Because of the League's feebleness Japan was held unchecked and the three northeastern provinces were lost.

At that time China was only able to raise the moral banner of "national unity in order to bridge over the national crisis." Little was accomplished however, and Japan was able to proceed with her aggressive designs with the result that hostilities broke out in Shanghai on Jan. 28, 1932.

Despite the valiant defence put up by the 19th Route Army and other Chinese units and despite the intervention of the League, Shanghai and Woosung fell in March. The result was the Shanghai Truce.

Mr. Wang admitted that the loss incurred by China as a result of the conclusion of the Shanghai truce was tremendous, but he said that China was willing to pay a high price for peace, because she hoped that it might thus appease the vociferous appetite of the Japanese military and would at the same time enable China to redouble her work of preparation.

With the conclusion of the truce agreement the government was able to proceed with the Communist suppression campaign in Kiangsi and to complete the highway network in the southeastern provinces. But whether the gain did offset the loss, he preferred to leave to the public to judge.

But one year after the Shanghai truce was signed Japan renewed her aggression and fighting broke out in Jehol and along the Great Wall passes. Following the defeat of Chinese troops and the fall of Tangku and the Great Wall passes, the Tangku truce was arranged, which caused more disastrous losses to China.

Mr. Wang reminded the Chinese people of the same motive that prompted the government to talk peace with Japan, to put a temporary halt to Japanese aggression and to give China more time to prepare herself.

For it was a sore lack, he said, in China's spiritual and material resources. The nation's resistance power was too weak and there was no cohesion in the whole machinery of armed resistance.

To arrest spiritual apathy of the people the government sought for greater national solidarity, bettered organization work and tightened the training of the people.

As a result of such efforts appreciable progress in both spiritual and material fields has been achieved during the past two or three years. National unification meanwhile has become a reality. Banditry at the same time has been wiped out in the southeastern provinces. Whether or not the gain could offset the loss Mr. Wang again left to the public to judge.

The problem which cropped up after the conclusion of the Tangku Truce, continued Mr. Wang, was the resumption of train traffic and postal service between China and the Northeast. Under the principle of non-recognition of the bogus state—meaning the non-acceptance of train tickets and postal stamps of the puppet regime—the government reluctantly acquiesced in demand. The government was nevertheless adamant in the question of the inauguration of through air traffic.

While this issue was under negotiation Japan made another thrust in June, 1935. Beginning from May 29 when verbal negotiations were initiated to June 9, the government was compelled to take emergency measures in view of the critical situation. On June 12 Japan took independent action.

In taking such emergency measures, Mr. Wang revealed, China exercised the greatest tolerance in spite of the heavy losses she suffered. It was done with the same purpose as explained before and during the interim the government succeeded in the consummation of the bandit suppression campaign in the southwestern provinces and brought Kwangtung and Kwangsi into its fold.

For six years Mr. Wang revealed, China has made repeated sacrifice and has restrained herself to the limit. She realizes very well Japan's aggression is fathomless. She also realizes that there is no end to her retreats. Furthermore she knows that Japan knows that she is preparing herself.

We may frankly inform Japan that such preparedness is of absolute necessity to a modern nation. By preparing herself China will have possessed the necessary weapon to repulse aggressive neighbors. China as well as her neighbors has as much to do in deciding who is or is not her friend.

But Japan will likely make the following retort: "We do not forbid you to be our enemies, but we disallow you to be our friends."

Under such circumstances China's preparedness has quickened the tempo of Japanese aggression. China therefore has to decided on her limit of endurance. If and when she has entered the crucial stage the whole nation must stand firm and must not fall back.

As China has now reached the limit of endurance, her people should possess the greatest courage and determination to be patient. But China has reached the limit of endurance and must express the greatest determination and courage to make every sacrifice. For if the limit of endurance is reached and China still talks about preparedness, such preparedness will be meaningless.

The word "sacrifice," according to Mr. Wang, has a cruel meaning. It not only involves individual sacrifice but also national sacrifice. For the people of a weak nation resistance can only mean one thing, sacrifice. For if we do not sacrifice our lives the only recourse is for us to become puppets.

Are we willing to become puppets? Mr. Wang said. If we are not, the only way open is for us to make the supreme sacrifice. Citizens of a weak country may not conquer others, but they are at least able to sacrifice themselves provided that they are determined. According to Mr. Wang, individual sacrifice is not sufficient. The Chinese people must see to it that none of their compatriots live to become puppets. They must also see to it that all cities, towns, villages and hamlets are reduced to ashes so that by the time the enemies occupy our territory they will find nothing left for them.

"Organized Resistance Not Yet Started ---Now Determined," Declares Chiang

Generalissimo Chiang Kai-shek, in an interview with the *Central News Agency* July 29, held himself responsible for the sudden turn in the military situation in North China.

This, however, the Generalissimo declared, was only the beginning of fighting, and the Central Government would not surrender to Japanese pressure.

Q. The sudden departure from Peiping of Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has resulted in the fall of an important city. What will the Central Government do in regard to responsibility?

A. Speaking from the military point of view, Gen. Sung should have been in Paoting and not have gone to Peiping or Tientsin. From the very beginning I have made this point clear. As I am the Commander-in-Chief of the nation's forces and concurrently responsible for the executive branch of the government, I should be responsible for the military reverses in Peiping and Tientsin.

Gen. Sung is not to be held responsible for what has happened. I am confident that I shall be able to exert my full energy and bear the entire responsibility for relieving the critical situation.

In fact this sudden turn in the situation in Peiping and Tientsin has been foreseen by keen Chinese observers. The Japanese military invasion and political pressure did not begin today, but has had a long history.

Therefore, the present situation is not accidental, and what is more, the temporary military reverses must not be considered as defeats and hostilities in the Peiping-Tientsin area are not to be regarded as having been terminated.

Since the Japanese military have been deliberately planning to invade China and have used all kinds of methods to achieve this aim, it is obvious that the warfare in Peiping and Tientsin only marks the beginning of a war of invasion and not its end.

The only course open to the nation is to be determined unanimously to cope with the national crisis. As to the personal responsibility of Gen. Sung Cheh-yuan, it does not deserve serious attention.

Q. What is the government's future policy toward Japan?

A. After the outbreak of the Lukouchiao incident, I definitely declared in a speech in Kuling that this would mark the limit of our endurance. I also listed four minimum conditions for the settlement of the incident.

These conditions have been made known to the nation in particular, and to the world in general. There is absolutely no possibility of changing or revising them.

I said then that we would not seek war but would meet war when forced upon us. Since we have arrived at the "limit of endurance," how could we consider the state of affairs in Peiping and Tientsin as a local question and let the Japanese military encroach upon our territorial and administrative integrity, or let them set up another puppet regime?

The Government has the responsibility of defending national territory and sovereign rights and of protecting the people. The only thing to do now is to put into operation its comprehensive

plan to lead the entire nation in a struggle for the protection of the nation to the very bitter end.

Henceforth, absolutely no local settlement is possible. We must remember that the four minimum conditions I laid down form a deciding point of our existence or extinction.

Our troops have not suffered any great reverses, and even if they should so suffer, we would be determined to perish with the state and never would we compromise or surrender.

In short, the ultimate position of our government has been consistent and unalterable, namely, no territory must be lost and no sovereign rights impaired.

I am sure that our people, finding their fatherland at this critical point of existence or extinction, will like one man fight to the finish. Meanwhile, I wish to announce that I have decided upon all necessary measures in regard to the situation.

My only wish now is that our people will seriously but cautiously fulfill their respective duties and at the same time have the common determination to sacrifice everything, including their very lives for the nation.

I am confident that the final victory will be ours.

Madame Chiang Leads Women of China in Support of Defenders

The entire population in Nanking has risen in a campaign to aid the Chinese defenders of North China against Japanese invasion. Madame Chiang Kai-shek is in the lead of various women's groups in the Capital who are active with plans for the organization of relief and first aid for the Chinese warriors fighting on the North China front, including the following:

Madame Chiang, Madame Ma Chao-chun, wife of Nanking's mayor; Dr. Wu Yi-fang, President of Ginling Girls' College; Miss Jen Pei-tao, head of the Women's Department of the Central Kuomintang Headquarters; Miss Tang Kuo-chen of the Chinese Women's Association; Miss Teng Chi-hsing, noted woman lawyer in Nanking; Miss Wang Li-wen, editor of the Women's Cultural Magazine; Miss Wang Feng-chen, of the Women's Cultural Research Society; Miss Hsieh Wei-peng of the Chinese Y.W.C.A., together with wives of the leading government officials in Nanking.

As China is forced to make the supreme sacrifice for the sake of her national honor, Madame Chiang, in a speech at Nanking Aug. 1, predicted that "a final victory, no matter how belated it may be in coming, will erase forever the humiliation days that have for so long crowded our calendar and remove the sorrow that has for years past bent our heads and bowed our heart."

"Today, every one of us Chinese must fight according to our ability, in order to preserve national unity and defend ourselves against aggression," said Mme. Chiang "We women are citizens just as much as are our men. Our positions, our capabilities and our line of usefulness may be different but each must do that which best can be done to contribute our share to rescue our nation from defeat and slavery."

Chinese Women's Association Sends Appeal to Comfort Troops

An appeal to the women of the country to participate in the work of national salvation was made by the Chinese Women's General Association to comfort the troops engaged in self-defence and resistance against foreign aggression, in a circular telegram to the women's organizations throughout the country, issued this week.

Pastor Niemoeller Arrested in Berlin After Defending Brother

Pastor Niemoeller, brother of Dr. Martin Niemoeller, an outstanding figure among Opposition pastors and head of the Confessional Movement in the German Evangelical Church who was imprisoned recently, was also arrested in Berlin, July 25. He was taken into custody after preaching to a vast audience in his brother's Church in Berlin strongly defending his brother. Dr. Martin Niemoeller, who is a former submarine commander, long remained immune in spite of the wave of arrests of Protestant clergymen.

Four More Germans Executed for High Treason

Red posters in Berlin July 31 announced three more executions of Germans on the ground of high treason and preparation of plots. A fourth execution, also for high treason, was announced by the German news agency.

Lord Cambrose Buys London "Morning Post"

Lord Camrose, owner of the London *Daily Telegraph*, last week purchased the *Morning Post*, the oldest Conservative organ in England, which first appeared in 1772. The papers will probably be merged.

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Intimate Glimpses of Life in Shantung

BY DAISY YOUNG

DESPITE the fact that the Central Government has repeatedly instructed the Provincial Authorities to safeguard the freedom of the press, no reporters or correspondents of leading Chinese papers and magazines dare to report to their paper or magazine the actual conditions in their respective districts. Any unfavorable criticism, though it is in all respects justifiable, would likely incur the wrath of the Provincial Authorities, the deportation or detention of the correspondent or result in the prohibition of circulation of the paper or magazine. Consequently they are compelled to portray the picture as elegant and rosy as possible, though they themselves are quite aware that by so doing they have neglected their duties. It is therefore no wonder that in order to seek the truth many a man prefers what we call "mosquito papers and magazines" to leading ones.

Detention of Salt Revenue by Gen. Han

So far as I can remember it was in the first week of February 1932 (I came to Tsinan several months previously) that Gen Han Fu-chu sent his counselor Chai Chun-lin to take over the office of the District Inspectorate of Salt Revenue with a view to detaining the collections for the use of his Province. According to press reports it was after lengthy negotiations that Gen. Han finally consented to withdraw his order on condition that Mr. Chai be appointed the Director of the Shantung Revenue Guards Office and that a monthly subsidy be granted to the Shantung Provincial Government. Political observers attribute the friction and discord between Gen. Han and the Central Government, should they exist, to the inconsiderate action taken by the former in this connection.

Gen. Han Trains Troops with Big Sword Exercises

Thinking that the success attained by the troops of Gen. Sung Cheh-yuan along the Great Wall was due to the employment of big swords and defying the theory of Bernard Shaw that human muscles are no match for modern bombing planes, tanks and what not, Gen. Han trained his soldiers with big sword exercises from morning till night. It is thought by many foreigners as well as Chinese that had Gen. Han been more progressive he would have long ago been ousted from Shantung Province by the Japanese militarists. It may be do to his very conservatism, if not his backwardness, that he has retained his post and the Japanese militarists have from time to time stated that he could not be removed without their previous approval.

Organization of Moral Advancement Associations

In order to enable the 400,000 inhabitants and his large number of troops and officials to enjoy healthy recreation and diversion after work, a Moral Advancement Association (道德會) was formed under the auspices of Gen. Han in the premises of the former Yuyiyuan (遊藝園) at the back of the British Consulate-General. In this Association all kinds of amusements were provided. It is said that a modern swimming pool has recently been added thereto. As Gen. Han is a lover of theatrical plays, a spacious modern theatre was constructed.

The avowed aims of the Association are to advance the morals of the Shantung officials and people, but practically it promotes nothing but theatrical performances in every corner of the Province.

Improvement in Roads and Public Utilities

During my three years' stay in Tsinan I saw many muddy and dented roads transformed into good asphalt ones. Prior to the reconstruction the roads were almost impassable during rainy days. Tribute must be paid to Gen. Han on account of the improvement made in this connection.

The electric lighting was at first so bad and dim that a consumer while reading or writing had to use candles or kerosene lamps while a certain amount of charges had to be paid.

How Gen. Han Governs Shantung

There is no denying the fact that Gen. Han loves the people he governs, desires to see them well fed, clad and housed and that no calamities or misfortunes of any kind should befall them, though he is not aware that universal education is most essential to the rejuvenation of a nation like China when her national crisis has reached its climax. The policy of Gen. Han appears to political observers to be 'the maintenance of the status quo,' similar to that adopted by Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council.

It must be admitted that Gen. Han is as ambitions as any big man, but being a military man without adequate modern knowledge he now and then governs his Province according to his whims and emotions instead of according to laws.

My Three Years in Kiaot ng Promontory

The two richest hsien districts of Kiaotung Promontory are Yehhsien and Hwanghsien where prior to the occupation of the three Eastern Provinces and Jehol by the Japanese militarists millions of dollars were remitted annually by the emigrants. Unfortunately, the condition has entirely changed for the worse. Since the annexation of Manchuria the Japanese have spared no efforts towards the restriction of importation of labor and exportation of capital. At present one has to submit a satisfactory explanation to the Japanese authorities before an amount exceeding $200 can be remitted home.

The richest man in Yehhsien is Liu Tze Shan, opium king and owner of the Tunglai Bank in Tsingtao. Before his forties he was still a poor worker earning several dollars a year. With the taking over of Tsingtao by the Japanese from the German administration Dame Fortune visited him. Through mere luck or other reasons known only to himself he was granted the monopoly of selling opium in the Riviera of the East, enabling him to amass a fortune reportedly amounting to a hundred million dollars. It is said that sixty per cent of the real estate in Tsingtao is owned by him. The people of his hsien do not like him as he does not spend a single cash in local charities despite his large possessions. Apprehensive of kidnapping he always confines himself in a fortified building in the British Concession of Tientsin.

Nationalism and Education

After my six years' stay in Shantung I have come to the conclusion that ninety per cent of the Shantung people are indifferent to national affairs, inactive, idle, dirty and passively tolerant. The peasants don't care whether they will be governed by Gen. Han or the Japanese so long as they can till their farmlands, while the merchants don't care whether it is a disgrace for them to sell the goods of the enemy nation so long as they can make money. All piece goods, hot water bottles and chinaware are Japanese made. The writer has been unable to buy a native made tea cup or a rice bowl after a search of all the shops. Even bananas are imported from Taiwan.

Opium Smoking and Extortion

The good intentions of the Government's policies are usually utilized by greedy officers to enrich themselves. There is no denying the fact that opium smoking ought to be eliminated and should have been eliminated long, long ago. To eradicate the evil of opium-smoking is to make our race strong, but does not give a chance to corrupt officials to swell their pockets. Opium smokers, when caught, should be punished and fined according to law but should not be squeezed. There are many rich people in Kiaotung Promontory who are opium smokers. These people cannot rid themselves of their habit of opium smoking and are willing to pay whatever sum of money the authorities may demand so long as they are not molested. It is therefore very easy for a magistrate to get rich if he only "invites" to his yamen two or three opulent opium-smokers once a year.

Nanking, July 10, 1937.

Why China Has Been So Weak

Editor, *China Weekly Review*:—It is admitted that there are many causes that account for the present weakness and degeneration of our country, but undoubtedly and undisputedly the principal one is the deep-rooted tradition handed down from time immemorable that enrichment follows promotion (陞官發財). The holding of an office has always been considered an avenue to personal enrichment. The aims and motives of the parents of a boy in expending a large sum of money to educate their son are that he may become an official to enrich and honor their family, while the idea of serving their country is non-existent.

Official Corruption Previous to National Government

Prior to the advent of the National Government in Nanking it caused no wonder or surprise that the Tuchun of a Province or a high official of the government amassed a fortune of millions of dollars in a short period. While these warlords sperately struggled for power it was not their intention to relieve the sufferings and improve the lot of the people or to elevate the position of their country in the family of nations. As soon as they came to power, they lost no time in sending their men, who were as ignorant and greedy as they were, to every corner under their jurisdiction to 'scratch the surface of the soil' (刮地皮) without the least regard to the consequences. After being deposed they sought refuge in a foreign country or a foreign concession in this country and deposited all their ill-gotten wealth in foreign banks so as to avert forfeiture.

Improvement in recent years

Since the establishment of the National Government in Nanking the leaders at the helm of state, especially General Chiang Kai-shek, have endeavoured by every possible means to eliminate official corruption with a view to rejuvenating this old country in order to preclude annihilation by an alien foe. Nevertheless, since the remaining influence of feudalism still dominates politics to some extent and as the time honored tradition that enrichment follows promotion is too deep-rooted in the minds of the masses, some more time will be required and stricter measures should be adopted toward the complete elimination of this evil practice. Though the cases of this nature have been reduced in recent years due partly to the awakening of the masses and partly to the strict punishment meted out upon the offenders by the Government, it is still most regrettable to hear from time to time that a high

official has built a magnificent mansion in Shanghai at a cost of a quarter of a million dollars or so and that another official has spent large sums of money to marry a wife or a concubine, while either of them was previously a poor fellow and held an office only for a couple of years or so. Undoubtedly their wealth is as questionable as their salary is limited.

What Is to Be Done Then?

The complete elimination of official corruption is well-nigh impossible unless all my compatriots have undergone a psychological change from the tradition that enrichment follows promotion to the idea that to be an official is to serve the country and that promotion means greater responsibility to the state. Every official should strive for promotion for the purpose of accomplishing more great deeds to the nation, not for the purpose of personal gains.

On New Year or other festival occasions we should no longer greet each other, "wishing you to become rich after promotion" (**陞官發財**) but Should say "wishing you to achieve more great deeds for the state after promotion." The wives of high officials should be taught to be as thrifty and patriotic as Japanese housewives, for their extravagance and misconduct will drive their husbands along the path of corruption. It should also be made a tradition that honest officials are loved, admired, respected and worshipped by their compatriots and offspring while dishonest ones should be most severely punished according to law, irrespective of their political backing, in order to serve as a warning to others.

Yueh Fei (岳飛) once said, "A country will be ever in peace and free from alien aggression and molestation so long as its civil officials refrain from accepting bribes and military officials do not hesitate to sacrifice their lives on the battlefield" (**文官不愛錢武官不惜死則天下治矣.**)

Then shall we still fear Japan, our deadly enemy who has seized our three Eastern Provinces and Jehol, established a puppet regime in our eastern Hopei, poisoned our brethren by narcotics, disorganized our finance by extensive smuggling and is still attempting to alienate the five North China provinces from our Central Government?

H. C.

Nanking, July 24, 1937.

The Horrors of Life Under the Bogus Regime in East Hopei

The one year and eight months under the bogus regime of Yin Ju-keng in East Hopei will be remembered with condemnation in the minds of all the farmers in East Hopei as one of the worst and most woeful periods in their lives—a regime of open banditry, lawlessness and atrocity, according to Hawthorne Cheng, writing in the *China Press* of Aug. 1. The Japanese who were at the helm of affairs of the bogus regime under Yin Ju-keng would deny that they were behind the bandits who plundered the Luantung villages and towns. But, says Mr. Cheng, there could be no denying the truth that they prevented the units of the Peace Preservation Corps from marching to the bandit-suppression front on the pretext that their military equipment was contrary to provisions in the Tangku Truce Agreement. Thus, the bandits under the notorious leader, alias Old Rat, had for many months in 1933 a free hand in many villages, towns and even hsien cities throughout the Luantung area as if they had entered a "No Man's Land." People there are still recalling those days with horror!

It was an open secret, well-known to most of the farmers in the Luantung Zone, that these "Peace Preservation Officers" encouraged rather than suppressed the bandits in order to share their spoils. The Japanese did not trust them, however, not because they were aiding the bandits but because they might become treacherous to the "East Hopei regime," which was just being established, and so the Japanese shot them. A new batch of officers has been placed in command of the various units of the bogus Peace Preservation Corps since the establishment of the East Hopei regime under Yin Ju-keng, but they have proven themselves to be no better than the old gang.

Sun Fo in Interview Says that China's Only Friend at Present Is Soviet Russia

In an interview in Shanghai last week, Sun Fo, President of the Legislative Yuan said that the present Sino-Japanese dispute, was not a war between strong nations. The Chinese, he said, must adopt the "revolutionary" war methods that were the only way out of the present difficulty. The war was fought on China's soil, and the Chinese must attack the enemy at any place and time in order to achieve final victory. The enemy would not allow the Chinese to prepare. Mr. Sun asserted that it was difficult to secure outside help. The British and Americans would not send their warships to help China. The only friend at present was the U.S.S.R. Should China sign an agreement with the U.S.S.R. for co-operation, Japan would not dare to carry out her aggressive programme so quickly. Now Japan had decided to strike the first blow, Mr. Sun explained. Well-informed Chinese quarters believed that Mr. Sun's statement reflected Nanking's attitude towards the present trouble.

CUSTOMS NOTIFICATION NO. 1590.

The public is hereby notified that, in accordance with the Government's instructions, all shipments (including those already contracted for) of wheat refuse, *i. e.*, mixtures containing wheat, are forbidden exportation abroad (including Manchuria and Dairen) in the same way as wheat.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th July 1937.

CUSTOMS NOTIFICATION NO. 1591.

The public is hereby notified that, in accordance with Government instructions, iron pigs, kentledge, bars, hoops, rods and sheets, both native and foreign, are forbidden exportation abroad and to Manchuria and Dairen temporarily.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th July 1937.

CUSTOMS NOTIFICATION NO. 1592.

With reference to Customs Notification No. 1587:

> concerning the prohibition of export of wheat flour abroad (including Manchuria and Dairen) and the restriction on coastwise shipments of wheat flour;

the public is hereby notified that, in accordance with further Government instructions, bonds for coastwise shipments of wheat flour must be executed by the Chinese Chamber of Commerce or Wheat Flour Guild both at the port of shipment and at the port of destination before shipment will be permitted.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th July 1937.

Japanese-White-Russian Group Raids Soviet Consulate at Tientsin

Throwing hand-grenades and firing pistols, a group of plain clothes Japanese and White Russians, raided the Soviet Consulate in Tientsin Aug. 1 and removed the safe, which contained archives and other documents. According to a house-boy, who hid in the grounds of the Consulate, the intruders used a motor-truck to carry their loot away. The Consulate was unguarded and unoccupied at the time. The Soviet vice-Consul, M. I. Smirnoff, had been forewarned of the intended raid, and appealed to the Consular Body for protection. His request was referred to the Japanese consular authorities. The raiders wrecked the interior of the consulate, smashed the Soviet crest at the entrance, and tore the Soviet flag into strips. The consulate is situated in the former Russian concession, opposite the British Concession.

A protest against last Sunday's raid on the Soviet Consulate-General in Tientsin by a band of "White Russians," allegedly directed by Japanese, was filed with the Tokyo Foreign Office Aug. 3 by Isaac Deitchman, Charge D'Affaires.

Tass stated that the Soviet Government expects the immediate arrest and exemplary punishment of those guilty, especially since the names of some of them are known and have been communicated to the Japanese Government. The Soviet Government demands that measures be taken to return the stolen Consulate property and compensation for the losses caused by the raid. In conclusion, the Soviet Government insists that effective measures be taken imffiediately to safeguard the Consulate. The Soviet Government holds the Japanese Government responsible for the incident "because Tientsin is under Japanese occupation."

Bogomoloff Asks Japanese Charge to Seek Cessation of "Pillaging"

Inviting Shinrokuro Hidaka, Japanese Charge D'Affaires, at Nanking, Aug. 2, Dmitrii Bogomoloff, Soviet Ambassador, requested the Japanese official to communicate to the Japanese Army in Tientsin a request for the immediate cessation of the "pillaging" of the Soviet Consulate-General in the northern port city. Basing his verbal demarche on a report he had received from M. Smirnoff, Soviet Vice-Consul, the Ambassador stated that a group of White Russians, "including some Japanese" had "broken into" the Soviet Consulate-General in Tientsin and had been carrying away official documents in trucks.

Japanese Army "Insulted" by Allegation That They Had Anything to Do with the Raid

Domei stated that a Japanese military spokesman in Tientsin took strong exception to Soviet allegations that the Japanese Army was involved in the raid on the Soviet consulate-general by Russian "White Guards," led by Japanese. The Soviet charge that the attack was conducted "with the understanding" of Major Hiroshi Taki, Japanese intelligence officer, was described by the spokesman as "insulting" to the Japanese Army. "As stated on previous occasions," the official said, "the Japanese Army is endeavoring to the best of its ability to carry out its promise that foreign lives and property would be protected. "Instructions to this effect have gone out to all detachments, both on land and air, and are well known by all officers. There is no reason why we should wish to attack the Soviet Consulate-General. All our objectives have been limited to the military bases of Chinese forces. In the present circumstances, we have striven not to jeopardize our relations with any third state and in view of the delicacy of Soviet-Japanese relations, any step that would tend to endanger them has been sedulously avoided."

The raid, the spokesman alleged, was engineered by "elements who would profit either politically or financially from it." In the former category he placed White Russians, Korean revolutionaries and Chinese. All these groups, he said, would favor Soviet-Japanese tension. In the latter, he included White Russians and Koreans, who expected to reap financial gains as a result of the purchase of the documents by the Japanese authorities.

Japanese officials in Tientsin said neither the Japanese authorities nor Japanese nationals had any connection with the raid. Official Japanese circles, asserted that the affair was "apparently carried out by some White Russians on bad terms with the Soviet Consul, M. Smirnov." The Japanese authorities at Tientsin, it was further averred, are neither entitled nor bound by international law to protect the Soviet Consulate, which is situated in Special District No. 3, formerly the Russian Concession. The Japanese authorities it was intimated, would co-operate with the Soviet authorities for the recovery of the articles removed if the Consulate could trace them. As for guarding the the Consulate, it is stated that the Japanese authorities will be willing to assign some soldiers to this task if requested.

Japanese responsbility for the raid on the Soviet Consulate-General in Tientsin was disclaimed by Mamoru Shigemitsu, Japanese Ambassador in Moscow.

White Russian Group Said on Way to Raid Soviet Consulate in Shanghai

Reports from the North indicated that the Japanese have arranged for a group of White Russians to come south from Manchuria, travelling with false passports. They are due in Shanghai shortly to carry out a raid on the Soviet Consulate here, similar to that which took place in Tientsin.

New York Communists, by Voting for Roosevelt, Smashed Their Own Party

The Communists of New York state, as it turns out, sadly overshot the the mark last November in their enthusiasm for a Democratic victory. So many of them went Democratic—as a Popular Front stratagem—that they voted their own party definitely out of legal existence in the capital of American radicalism. Under a ruling handed down by Justice Gilbert V. Schenck of the State Supreme court at Albany, June 30 the party will not be able to hold a primary this year and its name cannot be carried on the official ballot next November. The only way a communist can get his name officially before the voters hereafter is to have himself nominated by petition and run as an independent—not a communist. Justice Schenck's ruling was based on an election law amendment requiring that a political party must have polled 50,000 votes in the last gubernatorial campaign in order to win a place on any future ballot. The communist vote for Robert Minor, the party's candidate for governor last November, was only 34,307 votes.

U. S. "Soapbox" Orator Attacks Stalin

Union Square crowds in New York were treated to a surprise recently when Representative Emanuel Celler, of Brooklyn, addressing a mass metting of 500 members of labor organizations, referred to Stalin along with Hitler and Mussolini, as conducting "governments of treachery." Urging support of his bill, H. R. 5687, which would allow political, religious and racial refugees to enter and reside in the United States if they faced criminal prosecution or discrimination in their native lands, Mr. Celler termed the oppressed of other countries victims of the scorpion touch of Hitler, Stalin and Mussolini."

Mr. Celler, one of a dozen speakers at the three-hour meeting, did not talk from a soapbox but used a sound truck. His voice, amplified many times, travelled from the north end of the square almost to the south, thus reaching every visitor.

New Wave of Arrests Reported Sweeping Over Soviet Russia

A wave of new arrests and suicides swept over Soviet Russia this week with particular effect in the ranks of the nation's aviation and Communist youth organizations, according to *Havas*. Twenty-six members of the executive committee of the Young Communists in the Ukraine have been expelled from the Party, and many others of the youth band, chiefly journalists and pressmen, have been publicly denounced as foes of the people.

Marshal Voroshilov, Soviet War Commissar, although abiding by the political exigencies of the Stalin regime, refused to sanction further systematic destruction in the army, according *Le Matin*, which adds that "two commanders of military districts," five army corps commanders, twelve brigade generals, over two hundred colonels and about two thousand subalterns are officially declared as having "disappeared."

Tartars Revolt Against Soviets—Mass Executions by Troops Suppress Uprising

The mass execution of several thousand men and women was reported July 31 to have taken place at Alma Ata, the capital of the Soviet Republic of Kazakstan. It is declared that a movement began to develop among the Tartars to declare a Holy War against Joseph Stalin and the Soviet Government and finally reached a stage when it was necessary to despatch large detachments of troops. The mass shootings resulted from orders to the troops to undertake punitive measures against the leaders of the revolt.

American Squadron Visits Vladivostok—Officers Greeted by Soviet Representatives

A United States naval squadron, consisting of the cruiser *Augusta* and four destroyers, arrived in Vladivostok, July 28 on a courtesy visit. The commander, Rear-Admiral Harry E. Yarnell, and his officers were greeted by representatives of the Soviet Pacific Fleet.

Admiral Yarnell July 30 invited commanders and Red Navy men of the Pacific Fleet of the U.S.S.R., also residents of Vladivostok, to visit the flagship of the American Squadron, while at anchor at Vladivostok. Afterwards Admiral Yarnell gave a luncheon in honor of the Commander-in-chief of the Pacific Fleet of the U.S.S.R.

The U.S. Military Attache to the U.S.S.R., Faymonville, arrived in Vladivostok to meet the squadron.

After a four days friendly visit, the ships of the United States Asiatic Squadron departed from Vladivostok August 1. Before departure, Admiral Yarnell paid a farewell visit to the Commander of the Pacific Fleet of the U.S.S.R. Kireev, and thanked him and the civil organizations of the city for their cordial welcome.

Who's Who in China

Tsai Chung-ling, Government official; born at Lanchow, Kansu, 1897; B. A. Wisconsin University, U. S. A.; has successively served as professor in the various universities in Peiping; secretary in the Cabinet of the former Peking Government and in the Ministry of Education; chief secretary to the Committee for the Abolition of Extraterritoriality; adviser to the Law Codification Bureau in Peking and to the Provincial Governments of Kansu, Suiyuan and Honan; member of the former Peking Parliament; member of the Economic Committee of the National Rehabilitation Conference; expert member to the Sino-Russian Conference; magistrate of Chang-yi District, Kansu; counsellor to the Headquarters of the Commander-in-Chief of the Second Group Army; circuit magistrate of the Hopei Circuit of Honan Province, 1927; later Chief Administrative Officer of Northern Honan and concurrently Commander of the 2nd Corps of the Honan Militia; transferred as Chief Administrative Officer of Western Honan, Sept. 1928; director of the Famine Relief Bureau and concurrently director of the Army Provisions Bureau of Honan, Jan. 1929; director of the Bureau for the Administration of Public Properties of Shantung, Nov. 1930; director of the Shantung Office of the Salt Inspectorate, Jan. 1933 and shortly afterwards, transferred as director of the Salt Constabulary Bureau of Shantung; now, director of the Consolidated Tax Bureau of Shantung-Honan Area, Ministry of Finance; author of "History of Russo-Chinese Negotiations" in English; address: No. 5, Chi Tung Road, Tsingtao.

柴春霖
Tsai Chung-ling

柴春霖，年四十一歲，甘肅蘭州人，美國威斯康新大學學士，歷任國立北平大學等校教授，國務院教育部各機關秘書，法權討論委員會秘書長，修訂法律館及甘肅綏遠河南等省府顧問，衆議院議員，籌備善後會議經濟委員會理事，中俄會議專門委員，甘肅張掖縣縣長，第二集團軍總司令部參事，民國十六年七月任河南省河北道道尹，嗣改爲豫北行政長兼河南省民團第二軍軍長，十七年九月調任豫西行政長，十八年一月調任河南全省平糶局總辦兼軍糧局局長，民國十九年十一月任山東省公產清理處處長，二十二年一月任山東鹽務稽核分所經理，旋奉令以經理原資調任山東鹽務稽警局一等局長，現任財政部魯豫區統稅局局長，著有英文中俄交涉史，最近地址，青島齊東路五號。

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By Dr. Chu Chia-Hua
Minister of Communications, 1932-35.

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* * *

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Men and Events

Yoshizumi Ichihara arrived this week in Shanghai to act as resident representative of the Directorate-General of Manchukuo State Railways.

More than 20 persons were killed or injured by the collapse of more than 50 dilapidated houses as a result of a series of four earth tremors in Hsucow, Aug. 1.

The first mass wedding for military men was held in Kunming Branch of the Central Military Academy when seven couples were united in wedlock.

Prof. Hubert S. Liang of the Department of Journalism, Yenching University, Peiping, who is spending the summer in Shanghai, went to Nanking last week.

The local Swiss community celebrated the Swiss National Day Aug. 1, when E. Lardy, Charge d'Affaires for Switzerland, gave a reception, at 1469 Avenue Joffre.

James Mills, correspondent in Tokyo for the *Associated Press*, is returning to the United States soon and will be connected with the head office in New York. Relman Morin, at one time on the staff of the *Evening Post* in Shanghai, will succeed Mr. Mills as chief of the Tokyo bureau of the *Associated Press*.

Shot in the head by a Chinese bullet in the battle of Nanyuan Magorokuro Okabe, a correspondent of the *Osaka Asahi*, a leading Japanese daily, succumbed to his injuries in Peiping July 29.

Prayers for the nation and the Government during the present crisis in North China were being offered daily by the General Assembly of the Church of Christ in China, at its convention held in Tsingtao last week.

The engagement is announced of Miss Mary Frances Turner to Leonard Everett Jr. Both are from old Shanghai families, Miss Turner being the niece of Miss Ethel Allen and Miss Alice Allen, while Mr. Everett Jr. is the elder son of the late Mr. and Mrs. Everett.

In an appeal to the citizens of the United States, Carl Marvin Hensley, the first American pastor to become a naturalized Chinese citizen, July 30 urged the people of his native land to lend their moral support to China in her present national crisis.

G. K. Fitch, who has been representing the Texas Oil Company in Sian, capital of Shensi, for the past eight months, has been transferred to Changsha, Hunan and, after a brief visit with his parents, Mr. and Mrs. George Fitch at Tsingtao, he will proceed to his new post.

The Chinese Embassy renewed its representations to the Foreign Office in Berlin, July 26 regarding the forthcoming release of the Tobis film, "Alarm in Peking," which deals with the Boxer uprising. In Chinese opinion the film does not show China in a favourable light.

William Parker, formerly financial editor of *The China Press*, who has been in Manchukuo for several months, returned to Shanghai last week and is living at the Broadway Mansions. Prior to coming to the Far East Mr. Parker was director of Hearst's *International News Service* in Paris.

Sir William Hornell is retiring from the Vice-Chancellorship of the University of Hongkong, after 13 years of service. He will be succeeded by Duncan John Sloss, of the Indian Educational Service, who is expected to arrive in Hongkong late in October.

It is announced in Singapore that in order to secure preferential treatment from the Chinese Government in Fukien, four leading Chinese rubber goods manufacturers in British Malaya are making joint preparations to establish factories at Amoy to satisfy the increased demand for rubber goods in China.

Excitment ran high in the Hongkew district during the night of July 26, as a Japanese bluejacket was seriously injured by the end section of the trolley of a railless car. The victim, Yaichito Kawakami, First Class Seaman, was passing behind the car at the intersection of Haining and Chapoo Roads, when the 20-lbs. metal piece became disconnected and fell on his head.

A. T. Steele, who represented the New York *Times* in Nanking and Tientsin, resigned last week to accept a position as correspondent for the Chicago *Daily News*. Mr. Steele, who came to the Far East from Los Angeles two years ago, was connected with the Shanghai office of the *Associated Press* for a time before proceeding to North China.

Mikhail Slavutsky, U.S.S.R. Consul-General in Harbin, was last week promoted to be Soviet Ambassador to Tokyo. In an editorial note the *North China Daily News* stated that the new Soviet Ambassador to Japan showed during the difficult years he served in Harbin a degree of tact in handling unfortunate incidents which reflected upon him the greatest possible credit.

The Southern Methodist Mission concluded a week's conference in Kikow, Chekiang province, July 23. The conference was well managed and afforded Bible study for every person and also an opportunity to study some phase of church work, possibly the most popular being the city church, according to the Soochow correspondent of the *North China Daily News*.

Mrs. Hsu Shih-yin, wife of the Chinese Ambassador to Tokyo, died in Shanghai early part of this week. Mr. Hsu, who is now in Tokyo, will not be able to return to arrange for the funeral.

According to seismic records registered at the Central Observatory, Nanking the earthquake that shook the Capital twice on Aug. 1, had its origin somewhere in the mountainous regions of Shantung, near the northern Kiangsu-Anhwei borders.

The China Red Cross Hospital has established a general office in Nanking to collaborate with the National Health Administration there in centralizing first aid work for Chinese troops fighting in the North China front against the Japanese. Dr. J. He'g Liu, Director of the National Health administration, has been appointed chief of the new office.

The death took place at the Country Hospital in Shanghai Aug. 3 at the age of 80 of George Matheson, at one time with the Shanghai Municipal Police and later with his own business. He was the founder and director of the Ricsha Mission, which he served faithfully for many years. He is survived by his wife.

The States Steamship Company have announced the appointment of the China Foreign Steamship Corporation as agents to handle their interests at Shanghai as of September 1, 1937. The local office of the States Steamship Company is to be closed end of this month.

H. B. Campbell, Shanghai paint manufacturer, was defendant in the U. S. Court for China this week in a damage suit for $20,000 brought by Olma Chemicals, Ltd., which claims that its labels had been illegally used. It was claimed by plaintiffs that B. L. Cooper, a White Russian, now in the employ of the defendant, and formerly in the employ of plaintiffs, had secured a trademark from the Chinese Trademark Bureau by misrepresentation.

Foreign Secretary, Anthony Eden, informed the House of Commons July 26 that he expected to receive shortly from the British Ambassador, Sir Hughe Knatchbull-Hugesson, a report on the subject of unauthorised reprinting of British books in China. The catalogue of a new book store in Shanghai, it was stated by a questioner, showed that hundreds of English books were being offered at a discount of 40 per cent.

After lengthy investigation, the Public Procurator of the Shanghai First District Court has decided to drop the charges (of speculation on the Shanghai Cotton Goods Exchange) against Wu Chi-ting, Director of the Internal Revenue Administration, and Sheng Sheng-I, Director of the Consolidated Tax Bureau for Kiangsu, Chekiang and Anhwei. The charges are turned down on the ground that the evidence against Mr. Wu is inadequate, while that against Mr. Sheng is based merely on hearsay.

Prof. H. D. Lasswell of the political science department of the University of Chicago, who has been in China for sometime studying political conditions, went to Nanking last week, but will return to Shanghai shortly. He is staying at the Park Hotel. Prof. Lasswell is author of "Propaganda Technique in the World War," and also other books dealing with other phases of war propaganda.

H. R. ("Bud") Ekins of the *United Press*, arrived in Shanghai last week by airplane from Hongkong, after flying across the Pacific by Clipper, under orders from his New York office, to cover the war situation in China. Mr. Ekins had previously served as bureau manager in Honolulu, Manila, Shanghai and Peiping. Since leaving the Far East he has served his organization in Ethiopia. More recently he has been in the New York office of the *United Press*.

With a view to suppressing popular opinion, Japanese military authorities Aug. 1 arrested 19 Chinese newspapermen in Peiping, according to a special dispatch from the ancient capital published in the local *Sin Wen Pao*. After lengthy questioning, the dispatch said, 12 of the arrested group were released, while the rest were forced to sign papers, confessing their participation in anti-Japanese activities. One of these arrested was Dr. Wilson Wei, Editor-in-Chief of *The Peiping News*, an English-language daily published under the auspices of the Hopei-Chahar Political Council. Ten staff members of the Peiping Bureau of *Central News Agency* were arrested at the request of the Japanese authorities, who charged them with being "communists.

Dr. J. Lossing Buck, agricultural economist and a representative in China of the U.S. Treasury Department, arrived back in China last week after four months stay in America, having made the trip across the Pacific in a Clipper ship, continuing on to Shanghai aboard a C.N.A.C. plane. Dr. Buck hurried on to Nanking upon his arrival here, after a short stop at the Park Hotel, where many friends greated him. Dr. Buck had been on leave from the University of Nanking, where he heads the Department of Agriculture. While in Washington he arranged for the publication by the U.S. Government of a volume embodying a statistical survey of rural conditions in China. Dr. Buck is the former husband of Mrs. Pearl Buck, well-known novelist, who is at present the wife of Richard Walsh, prominent American publisher.

The August issue of the *Chinese Recorder* contains an appreciative note in memory of the late Bishop Lauress J. Birney, whose death occurred May 10 last, at Pasadena, California, where he had been in retirement for five years on account of ill-health. He was born September 11, 1871, at Denniston, Ohio, being thus sixty-six years old. As bishop he was assigned to Shanghai, China, his only episcopal residence. He was married to Laura Close in 1895. He is survived by his wife and one daughter, Dorothy Gene. He took an active interest in Community Church, Shanghai.

Yao Hsin-nung, one of the editors of the *T'ien Hsia Monthly*, Miss Pai Yang ("White Willow,") star of the Star Motion Picture Company and Sidney Wei, of the foreign section of the Commercial Press, will represent China at the Moscow Theater Festival which will be held next month. The trio sailed by the steamer *Sever* Aug. 3 for Vladivostok, enroute to Moscow. The invitation to China came from Voks (Soviet Society for Cultural Relations with Foreign Countries), through the local Intourist, Soviet travel agency.

Chinese Allegedly Violate Terms of Shanghai Truce Agreement

Alleged Chinese violations of the terms of the Shanghai truce agreement have been made the subject of international representations to the Chinese authorities, the *Shanghai Nippo* reported July 30. Objections have been offered, the Japanese daily said, to the increase of the Peace Preservation Corps strength, from 2,000 men at the close of the Shanghai "war" to 6,000; the reconstruction of the Woosung forts, and the construction of trenches in the vicinity of Chenju. The equipment, including the partial motorization of the Peace Preservation Corps, has also been unfavorably commented upon as constituting a violation of the spirit of the armistice agreement, the *Nippo* said.

These demarches were made, the daily asserted, at a meeting held by the representatives of four Powers, parties to the original truce agreement, held at the French Consulate-General on June 25. Also present were Japanese and Chinese delegates, the latter being headed by the then acting Mayor O. K. Yui.

Inflammatory Poster Said Found in Hongkew

Shanghai Municipal police July 29 found a poster inciting the Chinese to drive out the Japanese from Shanghai on a wall of the Tung Wat Rice Shop, Woosung Road, Japanese newspapers here reported. The poster suggested that the Chinese Peace Preservation Corps should take over the areas patrolled by Japanese marines after driving the Japanese out, the dailies said.

Fords Win First Five Places in Balkan Rally

Ford cars were remarkably successful in the recently concluded Balkan Rally. This event was regarded as a miniature Monte Carlo Rally and caused very considerable interest in Central Europe. The finishing point was Athens, there having been twelve starting places. The Rally was won by P. G. Christea of Roumania driving a Ford car. The second, third, fourth and fifth places in the Balkan Rally were also won by Ford cars.

His Case Was Desperate.
Young Man's Distressed State.

"I was reduced to such a state through anaemia and neurasthenia that my case was desperate," states Mr. W. J. Ingram, of 15, Leyburne, Street, Bradford, England. "Last October I began to suffer from dizziness, and when outdoors my head was in such a whirl that I could not walk straight. I had no appetite, my face grew pale, and I was completely devoid of energy. I became so bad that I had to give up my work. The doctor said that I was suffering from anaemia and neurasthenia, and might collapse in the street.

"Then I decided to try Dr. Williams' Pink Pills, and soon began to improve. My appetite picked up and I felt less tired, The dizziness disappeared, my face took on a healthy tinge, and I gained strength rapidly. Now I am like a new man."

Those who have tried Dr. Williams' Pink Pills often say that the benefit following their use is almost too wonderful to be believed. Actually the reason is quite simple. It is this: these pills create new rich blood, which strengthens the nerves, banishes anaemia, and improves the appetite and digestion. Try them now; Obtainable at chemists everywhere.

In the United States Court for China

In re. Last Will and Testament, of MINNIE OVIATT AND GENEVIEVE OVIATT, Deceased.	Cause No. 4221 Special Proceedings No. 2100 ORDER Filed at Shanghai, China, this 3 day of August, 1937. Williams T. Collins, Clerk. By-E. J. Collins, Dep. Clerk.

ORDER.

The Court having duly considered the application of the Administrator in the above entitled cause for an ORDER admitting the Will of Minnie and Genevieve Oviatt, Deceased, for probate, and it appearing to the Court that there is confusion relative to which is the proper Will of the decedants in this cause, it is therefore ORDERED AND DECREED that a hearing of this cause be held by the United States Court for China in the court room thereof in Shanghai, China, on the 2nd day of November, 1937, at 10 o'clock in the forenoon for the purpose of officially reading and receiving proof of the execution of the Last Will and Testament of Minnie Oviatt and Genevieve Oviatt, Deceased, each, in order for the Court to determine which is the Last Will and Testament of each of the above named decedants to be probated in this Court.

AND FURTHER for the Court to hear any objections to the probate of said Will should any objections be made by any person or persons interested therein.

IT IS FURTHER ORDERED that the Clerk of this Court be and is hereby instructed to mail by registered post a copy of this ORDER to the persons and organizations hereinafter mentioned, as follows, to-wit:

1. Walter E. Wood, nephew,
   Campbellsville, Kentucky.
2. Mrs. Russel C. Fothergill, niece,
   32 Wickstead Avenue,
   Mount Royal, Montreal, Canada.

and all unknown heirs and next of kin.

3. Christian and Missionary Alliance,
   Mission in China, Wuchang, China.
4. China Inland Mission,
   Shanghai, China.
5. Ting Sien Ch'ang—Wuhu,
   Ting Tsuen, — ,, }

C/o Howard Van Dyck,—Wuhu.

6. D.M. Stearns Mission,
   c/o Miss Dunkelberg,
   West School Lane,
   Germantown, Pennsylvania.
7. Rev. William Shantz,—Wuhu,
8. Rev. Howard Van Dyck, ,,
9. Mrs. William G. Davis, ,,
10. Mrs. William Shantz, ,,
11. Mrs. James Smith, ,,

Additional parties mentioned in purported Will of Minnie Oviatt and not mentioned in Joint Will of Minnie Oviatt and Genevieve Oviatt.

12. Rev. Harry Westnidge, C/o S.M.C. S'hai.
13. Miss Stella C. Dunkelberg,
    West School Lane, Germantown,
    Pennsylvania,
14. Mrs. Uen, Faith Mission Wuhu.
15. Mrs. E. Smith, ,,
16. Mrs. Tom Shantz, ,,

And a copy of this ORDER be published in three successive weekly issues of the CHINA WEEKLY REVIEW, a newspaper of general circulation in this City, commencing with the 7th day of August, 1937.

BY THE COURT,
MILTON J. HELMICK
Judge.

New Books of Interest in the Far East

The Dictatorship Over the Proletariat

Humanity Made to Order, the Rise and Fall of the Russian Experiment, by Harry Stekoll. Lee Furman, Inc., New York.

The evaluation of the Russian experiment after nineteen years by a former member of the Social Revolutionist Party who has lived in America for many years is one of the most interesting books yet written on the social and economic order of the Union of Soviet Socialist Republics.

Harry Stekoll has paid several visits to Russia since the Revolution, and he went again the summer of 1936 with the intention of weighing in the balance the promises made to the people in 1917 to see how far they have come true. He asks and answers the question: Is the Russia of today a socialistic state?

The immediate aim of the October Revolution was to set up a dictatorship of the proletariat in order to destroy capitalism at one violent stroke and prepare the way for the establishment of a pure state of communism. With Lenin as the head of the Communist Party (300,000 members ruling a nation of one hundred eighty million people) the leaders sought not only the destroying of all capitalism but the liquidating of all other socialistic groups and parties. On Lenin's death Stalin grasped the dictatorship, and since then has brooked no opposition. Such personal ambition is best epitomized in the ruthless murders of the sixteen Communist leaders in August, 1936, and the more recent "purging" of many other leaders who are suspected of, and forced to admit publicly (those who are tried before being shot) that they held Trotskyist views. Stekoll is convinced from his investigations that just as communism has never been achieved in Russia, so also has the promised dictatorship of the proletariat never materialized, for the Russian worker has no choice whatever in selecting or electing his government representatives, even under the new Constitution. Such choosing is done only by party members, and one cannot be a party member unless one is able to take orders from Stalin and carry them out unquestioningly. In Russia a strike by workers for better conditions would be considered treason and would be punished as such.

That the new type of individual would be collectively constituted and collectively minded has not worked out, either, for 85 per cent of the population is agrarian and collectivization of the farmer and mechanization of the farm have encountered insuperable difficulties. In 1932 thousands of *kulaks* died in exile, and millions of peasants died of starvation because the collectivization was attempted. Now, Stalin has more or less about faced and is allowing some private production and selling, and is bringing *kulake* back who have confessed to their wrong beliefs. Further, the *kolkhozi* (cooperatives) to which farmers were forced to belong, have proved so economically inefficient and unsound the *kolkhozi* members are permitted private ownership of small parcels of land and livestock, in order to stimulate their production on the *kolkhozi*.

The Communists proclaimed free love as the ideal of the new family life, but they have now declared the home is the nucleus of the community and the foundation of society.

In education there has been a complete turn-about and they have gone back to the methods of the old capitalistic system, since they discovered the attempt to form an intelligentsia within a few years by the "towing" process of workers' children did not work. "Towing" is the passing of all students in a class by balancing the stupid ones with those of superior intelligence.

The communists established a workers' jurisprudence, where the words "crime" and "punishment" were replaced by "transgression" and "measures of social defense." Such terminology, however, did not change human nature and does not eradicate crime. And in the courts today the judges have wide latitude to construe any crime as counter-revolutionary or against the state, and the penalty is death, and "the present U.S.S.R. jurisprudence is more severe than that of any capitalistic country in the world."

The new constitution says there is in Russia the principle of religious freedom, that the individual may believe or disbelieve. Yet no clergy or parents may influence or teach the children anything about religion until they are eighteen years old, and the teachers in the schools are required to train the children in the principles of communism and atheism. "There is no place in the world where hero worship is preached and practiced as it is in Russia today. Stalin's busts and pictures are greatly predominant. The newspapers in Russia are dominated by Stalin, who rigidly dictates their policies and contents; half of the space is devoted to praising and glorifying Stalin and his achievements."

The dictator does not stop at owning and regulating the economic structure of Russia but tries to condition and regulate every human idea and every phase of human behavior. Lenin, in his last illness, warned the communists against Stalin, saying he was unfit to be in control of the party, was too rude, tactless, ruthless, too ambitious for personal power. And this has proved to be true, for Stalin, "driven by his intense personal ambition and lust for power, would not tolerate interference with his own plans, even from party members. Lacking Lenin's intense magnetism and genius for leadership, he could maintain his position only by his ruthlessness and by filling the party with members who were completely his tools."

Russia, which was once the granary of Europe does not now produce enough food for its own people, since the peasants have and continue to give opposition to the government's form of collectivization and management, which has been largely mismanagement, and to the unfair distribution whereby the farmer does not reap the actual benefit of increased results of production.

"When you approach the present Russian situation with an unbiased viewpoint it becomes clear that the source of the paradoxical phenomena which exist in Russia is within the government itself. The government points out that the faults of the present economic system are the results of mismanagement. The truth is that the source of the mismanagement is the government itself.

"The prophecy of Lenin has been fulfilled. The dictatorship, which was intended for the proletariat, has become a dictatorship over the proletariat and has degnerated, as he predicted, into a bureaucratic machine, the antithesis of a socialist state a machine which by its very nature and existence has made impossible the achievement of its own stated aim. The new order is neither capitalism nor socialism, but is a state capitalism under the complete control of a dictator."

Stekoll reiterates the fact that Russia's possession of unlimited natural resources and wealth, and her unlimited supply of raw materials, make her independent and self-sustaining, and should not lead her into war, since there is nothing which her neighbors have which she wants. He estimates that the disappearance of the dictators in Germany and Italy will not solve the problems of the two countries, but that in Russia the disapperance of dictatorship, which "is the underlying cause of the painful and slow progress that country is making in developing her mental, spiritual and unlimited physical resources, would not only accelerate the tempo within the country and enable her to raise the standard of living of her own people; but, being the only country in Europe which is not as yet overpopulated and where resources have hardly been tapped, Russia could be a great source of supplying other European countries with their much-needed food and raw materials, in exchange for manufactured articles of which Russia is a long way from being able to produce herself and of which her own people are in great need. This would serve not only as a stimulus and an incentive in the effort to develop an improved economic structure in the U. S. S. R. and in bettering living conditions within the country, but it would also serve as a great force in maintaining peace in Europe, since it would help to remove the potential causes of war at both ends: in supplying food to countries like Germany and Italy and in giving them an outlet for their manufactured products.

Critical as he is of the results after nineteen years of experiment, Stekoll says Russia has become nationalistic-minded, and there is a general improvement in cleanliness, over five years ago, which he says is a significant factor in a country as backward as Russia, and is, of itself, evidence of both economic and cultural progress. And that even though the peasantry is as poor, and the worker as underpaid now as under the czar, they are ruled by a dictator and have no freedom, yet they are better off than ever before. He concludes: "Russia, along with the rest of the world, in a zigzag manner, by trial and error, is building a new social order under which life will become more secure, more wholesome, and happier."

Humanity Made to Order answers most of the questions anyone can possibly ask about the present day conditions in Russia, and how she compares as a nation with other European countries under dictatorships, and gives cogent reasons why Russia will not seek to force a European war. M. V.

Episodes in the Lives of Mohammed and Gautama

The Green Turban and Under The Bo Tree, by Isabel Anderson. The Christopher Publishing House, Boston. $1.

These two one-act plays deal with episodes in the lives of Mohammed and Gautama Buddha, respectively. They are well-written, and very readable, but rather difficult to present unless one has a perfectly equipped stage and expert actors and dancers. Should a theatre be able to produce the plays they should be most entrancing, if one is able to judge the possible stage and lighting effects from the directions given by the author, who, by the way, has written almost forty plays and books on travel and for children.

M. V.

The Soviet Constitution

Constitution of the Union of Soviet Socialist Republics, and five other pamphlets on the Constitution and allied subjects. Co-operative Publishing Society of Foreign Workers in the U.S.S.R., Moscow; and Workers Library Publishers, New York.

The official translation of the Constitution (Fundamental Law) of the Union of Soviet Socialist Republics, as adopted on December 5, 1936, should be of tremendous interest to any thinking person in the world today. To some, the Constitution will be but a climax to their deepset antagonism to anything Soviet; to others, it will be the supreme vindication that the experiment of the unity of the workers is successful; whereas to a third group, the dispassionate thinker, there will be found some things to praise, some to question and others to astonish, considering the recent "purge" which has been going on throughout the U.S.S.R.

The Organization of Society is a state of workers and peasants, based on the principle "He who does not work, neither shall he eat." The Organization of the State is set forth, of the organs of all levels, of the power and administration of the Union, of the autonomous republics, local organs and groups.

The fundamental rights and duties of citizens include: The right to work, to rest and leisure; to maintenance in old age; to education; equality to women; equality of rights of citizens of U.S.S.R. irrespective of nationality or race in all spheres of economic state, cultural, social and political life; freedom of conscience, speech, press, assembly, street processions and demonstrations. Citizens are guaranteed the inviolability of persons, of homes and secrecy of correspondence. But in all the 146 articles of the Constitution there is no explanation of who is or may become a citizen of the U.S.S.R. This reviewer glanced through the constitutions of fifteen other nations, and in each and every one there is a distinctly set forth statement concerning being born a citizen (or subject) or how to become one. Therefore, one cannot help wondering of what use are all the rights guaranteed, all the inviolabilities of citizens, to every inhabitant in the U.S.S.R. Articles 125, 126, 127 and 128 seem to have meant nothing in recent demotions from office and depriving from life of men in more or less important positions.

Yet, in J. V. Stalin's report to the congress on the draft constitution of the U.S.S.R. on November 25, 1936, he stressed the fact there is no more proletariat, only a new peasantry in the U.S.S.R., wherein class lines have vanished and national friction is gone. And that freedom and equality are for all citizens of the Union. In another pamphlet, S. Stetsky draws the conclusion that the new Soviet Constitution defines the state form of the dictatorship of the working class at a new stage of its development, not the stage of the transition period, but the stage of the socialist society, and will arouse new creative forces, and inspire the people to new victories.

The report by Stalin to the central committee of the Communist Party on March 3, 1937, on Mastering Bolshevism throws some light on the "tasks" recently faced by the dictator because of the "political carelessness" of important party members who were so naive they did not notice the "capitalist encirclement" of the Trotskyists and Fascists. The entire report is made through questions and answers, both being propounded by the dictator himself. The final statement, by P. Lang, is an attempt at an explanation of Trotskyism and Fascism, showing how in various attempts to seek the collapse of Socialism through individual terror, the result has been collapse of the counter-revolution, or flight.

M. V.

Detailed Report of Trial of "Traitors" in Soviet Russia

Anti-Soviet Trotskyite Centre. Report of court proceedings against 17 men accused of treason. Published by the People's Commissariat of Justice of the U.S.S.R.

This is a verbatim report of the second public trial of the "traitors" to the soviet cause, conducted in Moscow January 23-30, 1937, thirteen of the "criminals" being sentenced to be shot, four others given prison terms.

Karl Radek, well-known journalist, was one of the seventeen, but as had been predicted by various writers before the trial, his eulogizing of Stalin drew for him a prison term, not death.

The 600 pages in the report are most illuminating, yet the testimony given and pleas for clemency will seem farcical to many. The average person may have been deceived by the purges of the last year; the shooting of such leaders as Kaminev, Zinoviev and Smirnov, in August, 1936. More intelligent people, however, will accept the report of the trial of the seventeen for what it is: Stalin's belief that if his dictatorship is to continue he must rid the Communist Party of any leader or even unimportant member who may be connected by the slightest suspicion with the Trotskyist organizations or movement.

Seventeen men were tried at this time, yet hundreds of thousands have been thrown out of the party and hundreds shot. After months in jail, constant questioning and drilling in what they must say, there is small wonder all the "criminals" tell such "pat" stories of their Trotskyist activities, and the support given them in their "terrorist" activities by Germany and Japan. The "third degree" is known from days of barbarism.

M. V.

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The American Capital—A Beautiful City

Washington, D.C. the City Beautiful. By Mario Bucovich. Printed in the United States in Beck Sheet-Fed Gravure by the Beck Engraving Company, Philadelphia.

A collection of eighty-five photographs, says the author, is the first effort in book form to give a pictorial impression of the capital of the United States of America. Americans and foreigners alike who have had the good fortune to visit Washington, D.C. are impressed with the uniqueness of this American city, its avenues of green, and open spaces with lovely views with no fantastic skyscrapers to shadow the sun.

While the city of Washington is still in the making, the first planning of the government buildings was done at a time when classical influence was strong. The resemblance of some of them to famous buildings in Europe may symbolize the tendency of America not to forget the glories of the past in building for the great ambitions of her future. These impressions are the photographic Impressions of an artist, displaying charm and beauty of one of the finest cities in the United States—a symbol of ambition and the aim of its people toward a better and higher life.

M. P. W.

"Missing" Japanese Seaman Sent to Naval Headquarters in Shanghai

Sadao Miyazaki, the "missing" Japanese seaman, who was at first reported to have been kidnapped, turned out merely to be a deserter. He was found in Chinkiang July 28 in the act of trying to swim the Yangtsze. When picked up by a Chinese gendarme he was in an exhausted condition and penniless. He was first turned over to the Japanese authorities in Nanking and later brought down to Shanghai, where the officers of the Japanese Naval Landing Party are dealing with him.

Miyazaki's adventures commenced with a visit to a brothel in Hongkew—one, it may be mentioned, that was not on the Japanese Navy's official list. This latter fact, apparently, was one of the reasons which made the young Japanese seaman afraid to return to his quarters, and started him off on a visit to the interior of China as a possible prelude to a factual desertion.

Formal regrets for the commotion caused by the desertion of Miyazaki, were expressed by Rear-Admiral Okohchi, commandant of the Japanese Special Landing Party in Shanghai in a statement published in the Japanese press, Aug. 1. "Deep respect and appreciation are hereby expressed by the Landing Party for the wholehearted cooperation given by the Shanghai Municipal Council, the Japanese Consular Police, Japanese residents and officials, and, last, but not least, the Chinese officials in the search. The Landing Party sincerely regrets having been the cause of such commotion at this time of crisis and hereby pledges itself to enforce stricter discipline so that it may better carry out its duties for the protection of Japanese lives and property," the statement declared.

American Sailor Shoots Self After Escape from Custody at Tsingtao

The unusual escapade of an American sailor, who shot himself after holding officers and men at bay with a pistol, was narrated in an official U.S. naval report in Tsingtao, July 28. The sailor, J. B. Hanna, was under sentence by general court martial aboard the *U.S.S. Canopus*. At five o'clock on July 24 he overpowered the sentry on watch, seized a pistol and escaped from immediate custody. He took up a position aboard a submarine alongside the *Canopus* and threatened to shoot anyone who tried to induce him to give up the pistol and return to custody. He fired four shots into groups aboard the vessels, giving point to his threat, and then turned the pistol on himself and fired one shot. The bullet entered over his left eye, passing entirely through his head. He was given immediate medical attention, but his condition is critical. The American naval authorities are conducting an investigation.

American Consulate General Urges Nationals to Register

C. E. Gauss, American Consul-General in Shanghai, has issued an official notice reminding all American nationals, including citizens of the Philippine Commonwealth, who reside within the Shanghai consular district, to register at the Consulate here. The Shanghai consular district includes the provinces of Kiangsu, Chekiang and Anhwei. Passports or other evidence of citizenship must be presented while registering. Temporary visitors of American nationality, may enroll in the Temporary Visitors Register and they must exhibit their passports in doing so. Americans leaving Shanghai should inform the Consulate General in writing of their intended departure and destination. The American Consulate General at Shanghai is on the 4th floor in the Development Building, corner of Kiangse and Foochow Roads.

Income Tax Revenue Exceeds Expected Sum by $700,000

Receipts from income tax during the last fiscal year ended June 30, 1937, totalled more than $5,700,000, according to an announcement by the Ministry of Finance July 23. The figure exceeds the expected total proceeds for the period by $700,000.

Diplomatic and Consular Expense Fund to Be Increased

The expenses for the diplomatic and consular services abroad are to be increased by $629,800 in the new fiscal year, beginning July 1, 1937, according to decision reached by the Executive Yuan July 21.

Nanking Increases Military Subsidy to Kwangsi

In an apparent effort to check Kwangsi's belligerency, the Nanking Government was reported by *Domei* July 24 to have increased its military subsidy to the provincial Army.

Legal Tender Dollar Note Exchange Fixed at $1.80 Kwangsi Currency

One legal tender note will change for $1.80 in Kwangsi notes according to the rate of exchange fixed for the stabilization of Kwangsi finance by the Central Government, a Nanking message in *China Evening News*, July 25, stated.

Nanking Sends $3,000,000 to Szechwan for Military Reorganization

Gen. Chiang Kai-shek has ordered the Farmers' Bank to send $2,000,000 to Szechwan for the use of the military reorganization there. It is reported that the Provisional Headquarters of the Generalissimo in Chungking have been instructed also to give $1,000,000 to the Szechwan troops.

Koreans Stated to Be Engaged in Anti-Japanese Activities

The members of the Korean Independence Party, with Nanking as their base of operations, have started their secret activities, the *Shanghai Nippo* of July 24 stated. They have been accorded protection from the "Left Wing" clique and the pro-U.S.S.R. bloc of the National Government or kept in contact with the anti-Japan People's Front Bloc and the Communists, who have secretly penetrated into various districts in North China, in an attempt to create disturbances in the rear of the Japanese troops.

The remnant members of this Korean Communist Party, which have kept up connections with the Independent Party, the *Nippo* alleged, have continually extended their secret activities in the French Concession. At present, with the outbreak of the latest incident in North China, they have, under the direction of the Kuomintang in their policy of resistance against Japan, commenced their secret work.

Italy's First 35,000 Ton Battleship Launched

Italy's first 35,000 ton battleship, the *Vittorio Veneto*, was launched at Trieste, July 25 in the presence of the King and Queen of Italy and a crowd of 45,000 people.

Soviet Ambassador Discusses Air Communications Between U.S. and Russia

Moscow *Pravda* July 27 published in article by the Soviet Ambassador to the United States, Mr. Troyanovsky, who pointed out that the trans-polar flights of Chkalov and Gromov from Moscow to the United States, performed one after another, should convince all sceptics that air communication from the Soviet Union to the United States is quite a possible matter. Regular traffic on this line can indisputably be organized.

Two Hundred Chinese Students to Go Abroad to Receive Higher Education

More than 200 Chinese students who are to continue their studies abroad this year have registered at the Chinese World Sudents' Federation in Shanghai and have fulfilled requirements preparatory to leaving for foreign countries. Among this number, more than 100 are going to the United States.

Agent Provocateurs Busy in Honen

Reports have been received that more than 100 agents provocateurs have arrived in Honan from the North since the outbreak of the Lukouchiao incident and attempts have been made to blow up the Yellow River bridge in order to disrupt communications on the Peiping-Hankow Railway, a *Kuo Min* dispatch from Chengchow, July 25, stated.

IMPORTANT REGIONAL MILITARY LEADERS CONFER WITH CHIANG AT NANKING; KUNG SECURES LOAN ABROAD

(*Continued from page 358*)

the Central Party Headquarters Aug. 2. Mr. Wang returned to Nanking from Kuling July 31 by the gunboat *Yungsui* after an absence of these weeks. Commenting on the highlights of the conversations, Mr. Wang said that the conferences were filled with the spirit of solidarity and the view that the state is above everything was unanimously shared by the conferences. Mr. Wang stated that he and the Generalissimo would shortly go over the minutes of the sessions and recommend some proposals on political, foreign, economic and educational affairs to the central authorities for adoption. Because of the present situation the third session of the "summer conversations" will be postponed indefinitely, he announced.

After meeting three day to exchange views on various political, economic and educational questions, the second session of the Kuling conference with the second group of university professors and civic leaders from various parts of the country—specially invited by Mr. Wang and General Chiang Kai-shek was concluded July 29. Among those present at the last meeting were Wang Ching-wei, and Chang Chun. Views were expressed by the various leaders present on the Northern situation. At a luncheon given by Mr. Wang, it was decided to despatch a telegram of encouragement to General Sung Che-yuan and the entire rank and file of the 29th Army, commending them on their efforts in resisting Japanese aggressions.

The Three New Puppet Rulers of Peiping and Tientsin

CHIANG CHAO-CHUNG

General Chiang Chao-chung, Chairman of the so-called Pecae Maintenance Committee in Peiping, is an old-time official and a monarchist. He is a native of Chingteh, Anhwei Province, born in 1859. He served in various posts under the Manchu Government. After the establishment of the Republic, he was appointed in July 1912, Acting Commander-in-Chief of the Metropolitan Gendamerie in Peking and concurrently Deputy Lieutenant-General of the Bordered Red Chinese Banner. In December 1912, the first mentioned post was substantiated to him. In May 1917, he was appointed Assistant Commander of the forces for the maintenance of order in Peking and Tientsin. In June he accepted the post of Acting Premier and countersigned President Li Yuan-hung's mandate dissolving the Parliament. During Chang Hsun's *coup* to restore the Manchu monarchy early in July 1917, General Chiang was given two important appointments, Commander-in-Chief of the Imperial Metropolitan Gendamerie and Director-General of the Peking Octroi. After the suppression of the momarchial restoration movement by Marshal Tuan Chi-jui, all those who had accepted appointment from the *coup d'etat* were suspected of sympathy to Chang Hsun. Gen. Chiang consequently had to resign from all his posts and returned to private life. He has been living in retirement in the old capital since 1917.

Chiang Chao-chung

KAO LING-WEI

Kao Ling-wei, who now heads the puppet Peace Maintenance Committee in Tientsin with headquarters in the ex-Austrian Concession there, is also an old politician and a native of Tientsin, born in 1896. Among the high posts he held under the former Peking Government were vice-Minister of Agriculture and Commerce, member of the Parliament, Minister of Finance and concurrently Director the Currency Bureau and of the Salt Administration, Minister of Interior and Prime Minister.

Kao Ling-wei

Pien Shou-chin

SEVEN NATIONAL SALVATIONISTS RELEASED AFTER EIGHT-MONTH DETENTION

The request of the seven leaders of the "All-China National Salvation Association"—Shen Chun-ju, Tsou Tao-fen, Chang Nai-chi, Li Kung-po, Wang Chao-shin and Sha Chien-li and Miss Shih Liang—for release on bail has been granted by the Kiangsu Provincial High Court. Bail was provided by several members of the Soochow gentry, including Chang Chung-jen and Li Keng-yuan. They were released at 3 p.m. July 31.

After eight-month detention in Soochow since last December, the seven National Salvationists arrived at Shanghai from Soochow July 31. Shortly after their arrival, a joint statement was issued to the press, which revealed that they were waiting for a reply wire from Gen. Chiang Kai-shek, President of the Executive Yuan, before proceeding to Nanking. A telegram was sent to the Generalissimo immediately they were released, for an interview. Commenting on the current situation, the Salvationists were of the belief that two major issues now confront the nation: national consolidation and resistance against Japan. They believe that under the guidance of the Central Government, a momentous war for Chinese racial independence will be fought, of which the final victory will be on the Chinese side.

The seven leaders arrived at Nanking from Shanghai Aug. 3. Speaking on behalf of the group, Mr. Shen said that he and his comrades would not hesitate to make whatever sacrifice for national salvation under the leadership of General Chiang Kai-shek.

ORDER FOR ARREST OF NOTES WRITER BEING CANCELLED

In a mandate issued July 30, the National Government cancelled its previous order for the arrest of Kuo Mo-jo, noted radical novelist. Mr. Kuo, once serving as deputy director of the training department of the North Punitive Expeditionary forces, has been living in Japan for the last nine years.

HSIEH KWANG-SEN APPOINTED NEW MINISTER OF JUSTICE

Hsieh Kwang-sen was appointed August 4 Minister of Justice by the Central Political Council in succession to Wang Yung-ping. Mr. Hsieh, who completed his education in Paris after graduating from St. Ignatius College and Aurora University, Shanghai, was Secretary-General of the Judicial Yuan for a number of years. He is 40 years of age.

He lived in retirement in Tientsin for many years after 1924. In 1935, he was made a member of the Hopei-Chahar Political Council, but did not take an active part in its affairs.

PIEN SHOU-CHIN

Pien Shou-chin, the new "Mayor" of Tientsin appointed by the Japanese military, is a native of Tsinghai, Hopei and is a Japanese returned student. He is now 53 years old. During the days of the former Peking Government, he was very much active in politics. He was elected Speaker of the Chihli (now Hopei) Provincial Asembly in 1912 and later he became advisor to Tsao Kun, ex-President of China. He was the promotor and the first Chairman of the American-British-Chinese Commercial Club in Tientsin and at one time also proprietor of the *Ho Pei Daily News in* Tientsin. During the past ten years, he has been living in retirement in Tientsin.

Economic Conditions in China Are Greatly Improved

BY LO DEN WAY

Directorate of the Bureau of Statistics, Ministry of Industry, China

It is perhaps not an exaggeration to say that the economic condition in China during the period under review is better than that in the past few years. This is particularly true with regard to agriculture. The boom in agricultural products and the increase in the prices of commodities have all shown the happy signs of economic recovery of the country in the realm of industry and commerce.

Although there are many reasons for this good outlook during the year 1936, the united efforts in the economic reconstruction of the nation by the government and people have undoubtedly played the greatest part in leading the country to the road of recovery and prosperity.

In reviewing the industrial conditions in the past, we do not imply that we are content with progress; on the contrary, it will only serve to remind the nation that although some progress has been made in industrial enterprises, success is still far off, and that greater success has yet to depend upon greater and still more united efforts of the people throughout the country, so that the material conditions for the strenthening of national defence and the improvement of the livelihood of the people can be fullfilled and the foundations of national revival be solidly laid.

This paper shall only dwell upon a few aspects of our agricultural and industrial progress in 1936 taken at random, with a view to illustrating the general trend of development in China.

1. Agriculture.

A rich harvest which rarely occured in recent years marked the apparent betterment of agriculture in 1936. This owed much to the favorable weather conditions, but the improvement of technique sponsored by the National Agricultural Research Bureau and the National Rice and Wheat Improvement Station in their respective fields also played an important part. Improved seeds of rice and cotton were planted in various provinces and excellent results were generally reported. Meanwhile, experiments were conducted to improve the production of millet and other miscellaneous cereals. An estimate was made by the National Agricultural Research Bureau on the physical volume of cereal production as in the following:

Name of crop	*Total production in 1936 (in 1,000 shi piculs)*	*Comparison with 1935 unit change*	*per cent change*
wheat	461,555	35,503	8.3
barley	162,748	4,636	2.9
peas	69,096	2,195	3.3
broad beans	62,253	1,189	1.9
rape seeds	49,572	177	0.4
oats	18,036	592	3.4
hulled rice	871,002	465	0.1
hulled rice (glutinous)	89,296	960	1.1
kaoliang	153,532	17,891	13.3
millet	135,478	760	0.6
proso-millet	32,467	56	0.2
corn	122,602	14,287	10.4
soybeans	118,220	17,841	17.8
sweet potato	341,797	29,814	8.0
cotton	20,639	6,301	43.9
groundnuts	52,622	7,650	17.0
sesame	17,300	2,043	13.4
tobacco leaves	12,673	35	0.3

Three items of winter crops had better records, especially for wheat, the highest record since 1931 was obtained. As compared with the preceding year, wheat production had a surplus of no less than thirty one million shi piculs which was regarded as the most remarkable advance. However, not a single item had its production over 70% when compared with the best year's record. Geographically speaking, Anwhei, Honan, Kiangsu, Shangtung, Hupeh, Szechuan, Yunnan, Fukien, and Kwangtung had bumper productions, while the conditions prevailed in Hopeh, Shansi, Shensi, Kansu, and Suiyuan were not quite satisfactory, some provinces had even worse records.

As regards summer crops, rice had a bumper harvest, creating a new record for the past three years. Others such as soybeans, cotton, goundnuts, and kaoliang had good harvests too. But the production of prose-millet and corn declined owing to the decrease of cultivating area. Strictly speaking, most crops had their productions below normal except in the case of rice where production was estimated to be above the normal year record. With regard to rice production, various provinces differed in a considerable range; Hunan produced 82% of its normal volume, Chekiang, 80%, Kiangsu, 78%, Fukien, 77%, Kiangsi, 76%, Hupeh and Anwhei, 74%, Yunnan, 73%, and all the rest of the provinces produced less than 70% of their normal volume.

On the average, physical volume of agricultural products was increased, but the cultivating area, on the contrary, showed a decrease of 5,774,000 shi mow. The following table gives an estimate made by the National Agricultural Research Bureau of the cultivating area of twenty one provinces in 1936:

Name of crop	*Cultivating area in 1936 (in 1,000 shi mow)*	*Comparison with 1935 unit change*	*per cent change*
wheat	305,541	6,566	2
barley	98,101	1,686	2
peas	52,038	2,349	4
broad beans	41,805	1,035	3
rape seeds	28,912	2,191	4
oats	15,945	377	2
hulled rice	245,495	5,149	2
hulled rice (glutinous)	26,737	1,615	6
kaoliang	73,549	2,073	3
millet	76,963	2,365	3
proso-millet	24,388	598	2
corn	69,845	820	1
soybeans	73,832	3,539	5
sweet potato	35,540	2,320	7
cotton	61,615	9,433	18
groundnuts	21,089	988	5
sesame	21,331	1,212	6
tobacco leaves	8,254	38	less than 1
Total	1,310,980	5,774	less than 1

In the total area of 1,310,980,000 shi mow, 572,342,000 shi mow were devoted to winter crops and 738,638,000 shi mow to summer crops. The percentage of the area for each crop within its respective group is given below:

(A) Winter crops

Name of crop	*Cultivating area in 1936 (in 1,000 shi mow)*	*Percentage*
wheat	305,541	53.39
barley	98,101	17.14
peas	52,038	9.09
broad beans	41,805	7.30
rape seeds	58,912	10.29
oats	15,945	2.70
Total	572,342	100.00

(B) Summer crops

Name of crop	*Cultivating area in 1936 (in 1,000 shi mow)*	*Percentage*
hulled rice	245,495	33.24
hulled rice (glutinous)	26,737	3.62
kaoliang	73,549	9.95
millet	76,963	10.42
proso-millet	24,388	3.30
corn	69,845	9.46
soybeans	73,832	10.00
sweet potato	35,540	4.81
cotton	61,615	8.34
groundnuts	21,089	2.86
sesame	21,331	2.89
tobacco leaves	8,245	1.11
Total	572,342	100.00

From the above tables the fact is evident that larger volumes of production have been obtained from smaller areas, which tends to prove the result of the improvement in technique.

Table showing the Distribution & Grouping of New Factories Established & Registered in 1936.

	Kiangsu	*Chekiang*	*Kiangsi*	*Shangtung*	*Shansi*	*Honan*	*Hopeh*	*Shensi*	*Hupeh*	*Fukien*	*Szechuan*	*Kansu*	*Nanking*	*Shanghai*	*Tsingtao*	*Weihaiwei*	*Tientsin*	*Total*
Water, elect. & gas supplies		1																1
Machine manufacture		1						1					3	2	3			10
Metallic													1	2	1			4
Elect, appliances & supplies														4				4
Lumbering										1								1
Earth & stone	1																	1
Porcelain & glass			1												2			3
Enameling														1				1
Paper		1			1													2
Chemical fibers														1				1
Match	1			2								1			2			6
Leather															1			1
Pigments & paints														2			1	3
Dyes														1				1
Oils, fats, & wax									1		1				5			7
Rubber & gums															1			1
Chemical supplies					1						1							2
Brewing		1																1
Cosmetics														1				1
Food & drinks		34		1		7	1		15				5	9	3			75
Tobacco															1			1
Textile	6	20		2		1			1					7	3			40
Clothing		4		1										4	1	1		11
Transport. appli.				1									1	1	3			6
Educational supplies											1		1	1				3
Arts																6		6
Total	8	62	1	7	2	8	1	1	17	1	3	1	11	36	26	7	1	193

(*To be Continued next week*)

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BY

EDWARD BING-SHUEY LEE

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Aug. 4, 1937

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Total Volume: 900,000 Shares

1937 High	1937 Low	Div. $ per sh.	STOCK	Last Sale Aug. 2	Last Sale Aug. 3
22⅜	15	0.55	Adams Express	18¾	18¾
83½	57½	2.00	Allis Chalmers	69¼	69¾
121	90¾	5.00	American Can	111	112½
35⅞	26⅝	0.60	Amer. Cyanamid "B"	34	34¼
13¾	6	—	American & For. Power	9¾	9½
68⅜	47½	—	American & Foreign Pwr. $7. pfd.	57½	56½
29½	18¾	0.60	American Radiator	21¾	21¾
187	159⅞	9.00	Americaon Tel. & Tel.	171⅞	172
99	74½	5.00	American Tobacco "B"	83¼	83¾
29½	16	0.80	American Waterworks	20¾	20¼
69½	48¼	1.25	Anaconda Copper	58⅞	59
93¾	69½	2.00	Atchison, T. & S. Fe	80½	78¼
36¾	11½	—	Auburn	20½	19
40½	20⅝	—	Baltimore & Ohio	27¾	27⅛
105½	78	2.50	Bethlehem Steel	100⅛	99
49¾	27½	—	Boeing Airplane Co.	35⅞	35¼
17½	12½	—	Canadian Pacific Railway	12⅛	12⅝
176½	138	4.00	Case, J. I.	191	190
90½	62	3.00	Chesapeake Corp.	70½	70½
68⅞	50⅛	2.80	Chesapeake & Ohio	51⅛	52
135¼	95⅛	13.00	Chrysler	117⅜	115⅛
20⅞	10½	0.40	Columbia Gas Electric	14⅜	13¾
21¼	13	0.80	Coml. Sovents	14⅞	14⅛
4⅛	2⅛	—	Commonwealth & Southern, ord.	3	2⅞
49⅝	32	2.25	Consolinated Edison	38¼	38
17⅞	14⅝	0.80	Consolidated Oil	15⅞	15⅞
48⅜	40¼	1.25	Continental Oil	48⅞	48½
71¼	55	3.75	Corn Products	66¼	65⅝
77¼	48	—	Douglas Aircraft	58	57½
180¼	148½	5.95	Du Pont de Nemours	162	160½
28⅛	14	—	Electric Bond & Share	20⅝	20½
64⅞	50⅜	1.65	General Electric	58¼	57¼
44¼	36⅜	2.35	General Foods	37⅜	37½
70½	48⅜	4.00	General Motors	58	56⅝
65⅛	42	1.00	General Railway Signal	44½	43¼
47⅜	27⅜	1.00	Goodyear Tire & Rubber	42⅛	42½
87	73½	0.37	Humble Oil	83⅛	83¾
73⅜	55⅛	1.75	International Nickel	66¼	65
15⅞	9⅞	—	International Tel. & Tel.	11⅝	11½
69⅜	51	1.95	Kennecott	61	61¾
84½	64½	4.00	Loew's Inc.	85	85
28⅝	20	1.50	Lorillard	21⅜	21⅜
101	85	3.00	Monsanto Chemical	103½	102½
69	50¾	4.30	Montgomery Ward	63¼	62½
33⅜	23	0.72	Nat. Bond Investment	26	26¼
26⅛	18¾	1.20	National Dairy Prods.	21	20½
35	27½	2.75	National Distillers	30¼	30
14⅜	8⅞	0.60	National Power & Lt.	11	10⅝
55¼	34⅝	—	New York Central	40	39⅛
34⅞	21⅜	1.30	North American	28⅝	27⅞
38	28½	1.75	Pacific Gas & Electric	32¾	32½
53¾	40½	3.00	Pacific Lighting	44⅜	44½
12⅝	8	0.50	Packard Motors	9	8⅞
50¼	34⅜	1.00	Pennsylvania Railroad	36⅞	36½
60¼	49½	2.75	Phillips Petroleum	63¼	62¼
52⅜	37	2.65	Public Serv. of N. J.	43	42⅞
12⅜	7¾	—	Radio Corporation of Amer.	9	9⅜
58	49	3.00	Reynolds Tobacco "B"	53	53⅛
51⅜	38⅝	4.50	Sehenley	43	43
95⅜	81	6.75	Sears Roebuck	95½	95
21¼	16¼	0.75	Socony-Vacuum	21⅞	21⅞
32½	23¼	1.50	Southern California Edison	26	26
65⅝	41½	—	Southern Pacific	48½	47½
16¼	11⅜	1.05	Standard Brands	12	12⅛
14⅞	5⅞	—	Standard Gas & Electric	9¼	8⅝
76	63⅝	2.50	Standard Oil Co. of N. J.	69¾	69½
75	62	4.10	Sterling Products	65½	65
44	34¼	2.50	Texas Gulf Sulphur	38¾	38⅞
17⅝	12½	0.45	Transamerica	17	16⅝
111	95	2.90	Union Caride & Carbon	101½	100¾
148¾	122	6.00	Union Pacific	125	125½
35⅛	24¼	0.50	United Aircraft (New)	30½	30¾
24⅜	14⅜	0.20	United Airline Trans.	17¼	17¼
13⅝	4	—	United Corporation	6	5⅝
17	11⅛	1.00	United Gas Improvement	13⅞	13¾
43⅝	28⅝	—	U. S. Indus. Alcohol	33	33½
72⅜	44¼	—	U. S. Rubber	62⅜	61⅝
126½	75	—	U. S. Steel	120⅛	118
39⅝	24¾	—	Vanadium	32½	31⅜
18	12	—	Warner Bros. Pictures	14½	14⅜
167⅝	130¼	6.00	Westinghouse Electric	155	153¼

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